

[FULL COMMITTEE PRINT]

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Report

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DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1995

June 27, 1994.-Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Murtha, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 4650]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Defense, and for other purposes, for the fiscal year ending September 30, 1995.

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BILL TOTALS

Appropriations for most military functions of the Department of Defense are provided for in the accompanying bill for the fiscal year 1995. This bill does not provide appropriations for military construction, military family housing, civil defense, or nuclear warheads, for which requirements are considered in connection with other appropriations bills.

The President's fiscal year 1995 budget request for activities funded in the Department of Defense Appropriations Bill totals \$244,449,979,000 in new budget (obligational) authority. The amounts recommended by the Committee in the accompanying bill total \$243,603,092,000 in new budget authority. This is \$846,887,000 below the budget estimate and \$3,523,447,000 above the sums made available for the same purposes for fiscal year 1994.

The new budget authority enacted for the fiscal year 1994, the President's budget estimates, and amounts recommended by the Committee for the fiscal year 1995 appear in summary form in the following table:

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PERSPECTIVES ON DEFENSE  
DEFENSE BUDGET POLICY IN THE POST-COLD-WAR ERA

Over the years, the Committee and the Congress steadfastly supported a strong U.S. military defense posture based on quality personnel and superior technology. That strong defense posture has been a very important factor in bringing about the dramatic geopolitical events of the past five years including:

- The tearing down of the Berlin Wall;
- The demise of the Warsaw Pact;
- The dissolution of the former Soviet Union; and
- The emergence of democratic forces in many former totalitarian countries.

In light of these geopolitical events, the Committee supports the downsizing of the U.S. force structure and the ensuing reductions in defense spending on the order of those proposed by the President. The Committee notes that the scope of these reductions combined with planned reductions in the years ahead will result in a very lean force. It is imperative that this force remain the best equipped and best trained force in the world. This presents a significant

challenge in the years ahead under the tight budget constraints for overall discretionary spending embodied in the statutory discretionary spending caps (see p. 17).

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# DEFENSE SPENDING TRENDS

The President's fiscal year 1995 budget proposes and the bill implements the tenth consecutive year of reductions in budget authority for defense when measured in constant dollars.<sup>1</sup>

<sup>1</sup>Statistic does not include the one time spike in spending for Operations "Desert Shield" and "Desert Storm". These costs were reimbursed by donations from foreign nations.

Defense spending levels are reaching historic lows. The 1995 spending level for defense as a percentage of the gross domestic product is projected to be the lowest it has been since before World War II with the exception of fiscal year 1948 (see following table).

## NATIONAL DEFENSE OUTLAYS AS A PERCENTAGE OF GNP/GDP [Current year dollars in billions]

Fiscal year	National defense outlays	GNP/GDP	Outlays as percent of GNP/GDP	Fiscal year	National defense outlays	GDP	Outlays as percent of GDP
1941	6.4	112.5	5.7	1971	78.9	1,050.9	7.5
1942	25.7	141.8	18.1	1972	79.2	1,147.8	6.9
1943	66.7	175.4	38.0	1973	76.7	1,274.0	6.0
1944	79.1	201.7	39.2	1974	79.3	1,403.6	5.7
1945	83.0	212.0	39.1	1975	86.5	1,509.8	5.7
1946	42.7	212.5	20.1	1976	89.6	1,684.2	5.3
1947	12.8	222.9	5.7	1977	97.2	1,917.2	5.1
1948	9.1	246.7	3.7	1978	104.5	2,155.0	4.8
1949	13.2	262.7	5.0	1979	116.3	2,429.5	4.8
1950	13.7	265.8	5.2	1980	134.0	2,644.1	5.1
1951	23.6	313.5	7.5	1981	157.5	2,964.4	5.3
1952	46.1	340.5	13.5	1982	185.3	3,122.2	5.9
1953	52.8	363.8	14.5	1983	209.9	3,316.5	6.3
1954	49.3	368.0	13.4	1984	227.4	3,695.0	6.2
1955	42.7	384.7	11.1	1985	252.7	3,967.7	6.4
1956	42.5	416.3	10.2	1986	273.4	4,219.0	6.5
1957	45.4	438.3	10.4	1987	282.0	4,452.4	6.3
1958	46.8	448.1	10.4	1988	290.4	4,808.4	6.0
1959	49.0	480.2	10.2	1989	303.6	5,173.3	5.9
1960	48.1	504.6	9.5	1990	297.9	5,481.5	5.4
1961	49.6	517.0	9.6	1991	296.7	5,673.3	5.2
1962	52.3	555.2	9.4	1992	286.1	5,987.2	4.8
1963	53.4	584.5	9.1	1993	283.9	6,294.8	4.5
1964	54.8	625.3	8.8	1994	277.0	6,641.2	4.2
1965	50.6	671.0	7.5	1995	269.7	7,022.0	3.8
1966	58.1	735.4	7.9	1996	260.5	7,418.9	3.5
1967	71.4	793.3	9.0	1997	256.4	7,841.5	3.3
1968	81.9	847.2	9.7	1998	256.6	8,284.9	3.1
1969	82.5	925.7	8.9	1999	257.5	8,750.3	2.9
1970	81.7	985.4	8.3				

An additional burden faced in the defense budget is the billions of dollars of expenditures for programs which though necessary, do not directly contribute to national security. These expenditures are outlined in the following table which, in addition to this bill, includes expenditures in the Military Construction appropriations bill and the defense related portion of the Energy and Public Works appropriations bill.

Program	Dollars
DoD Environmental Expenditures	\$4,800,000,000
DoD Economic Conversion	3,500,000,000
DoE Environmental Expenditures Related to Nuclear Programs	5,125,000,000
Military Construction Environmental Expenditures and Base Closure	2,875,000,000
Total	16,300,000,000

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#### MILITARY PERSONNEL TRENDS

(1) From fiscal year 1985 through fiscal year 1995 over 1,000,000 personnel have been reduced from the manpower levels of the active force, the Guard and Reserve and civilians employed by the DoD.

(2) The projected fiscal year 1995 active duty end strength will be at the lowest point since 1950.

(3) By 1999, the active duty end strength is slated to be reduced to the lowest it has been since before World War

II.

(4) Millions of additional jobs are being eliminated in the private sector as a result of these reductions.

The following table displays the level of active duty personnel strength from 1950 to the turn of the century.

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#### ACTIVE DUTY MILITARY PERSONNEL LEVELS, FISCAL YEAR 1950-99 •(END-STRENGTH)

Fiscal year:

1950	1,460,000
1951	3,249,000
1952	3,636,000
1953	3,555,000
1954	3,302,000
1955	2,935,000
1956	2,806,000
1957	2,796,000
1958	2,601,000
1959	2,504,000
1960	2,476,000
1961	2,484,000
1962	2,808,000
1963	2,700,000
1964	2,687,000
1965	2,655,000
1966	3,094,000
1967	3,377,000
1968	3,548,000
1969	3,459,000
1970	3,065,000
1971	2,713,000
1972	2,322,000

1973	2,252,000
1974	2,161,000
1975	2,127,000
1976	2,081,000
1977	2,073,000
1978	2,062,000
1979	2,024,000
1980	2,050,000
1981	2,071,000
1982	2,097,000
1983	2,124,000
1984	2,138,000
1985	2,152,000
1986	2,169,000
1987	2,174,000
1988	2,138,000
1989	2,130,000
1990	2,069,000
1991	2,002,000
1992	1,808,000
1993	1,705,000
1994	1,611,000
1995	1,526,000
1996	1,496,000
1997	1,469,000
1998	1,458,000
1999	1,453,000

During fiscal year 1995 DoD active duty personnel, Guard and Reserve and civilian end strength will be reduced by 180,000-i.e. 15,000 per month or 500 per day.

#### AVERAGE MONTHLY NET PERSONNEL LOSSES

DoD personnel		
	Fiscal year 1995:	Losses per month
Active duty military		-7,100
Reserve forces		-3,800
Civilian personnel		-4,100
Total per month		-15,000

The Committee notes that after the large drawdown in FY 1995, DoD active duty personnel levels will start to stabilize in the 1996-1999 time frame. This will greatly reduce the potential for new defense savings to be available in future years. It will, however, have a positive effect on morale, quality of life, and overall combat readiness as the personnel "turbulence" subsides.

The Committee is greatly concerned about the adequacy of the end strengths and force structure contemplated for the late 1990's given the range of current and potential global commitments. The major force structures now planned under the Bottom-up Review call for reductions of one-third (Navy ships) to almost one-half (Air Force wings) from the 1990 levels.

#### U.S. FORCE STRUCTURE

	Cold War Base 1990	1993	1994	1995	Bottom up review plan
Land Forces:					
Army active divisions	18	14	12	12	10
Army Reserve component divisions	10	10	8	8	5
Marine Corps (3 active/1 reserve)	4	4	4	4	4
Navy:					
Ship battle forces	546	435	387	373	<sup>1</sup> 346
Aircraft carriers:					
Active	15	13	12	11	11
Reserve	1			1	1
Navy carrier wings:					
Active	13	11	11	10	10
Reserve	2	2	2	1	1
Air Force:					
Active fighter wings	24	16.1	13.4	13.0	13
Reserve fighter wings	12	11.3	8.7	7.5	7

Source: Department of Defense, February, 1994.

<sup>1</sup>Subsequent DoD budget plans reduce the total number to 331 ships by 1999.

Many question whether this new force structure can meet the stated BUR objective of being able to fight and win two major regional conflicts almost simultaneously. Previous experience in Kuwait shows that under the BUR planning scenario, fighting and quickly winning one major regional conflict would absorb much of the U.S. active inventory. Little trained manpower, materiel, or mobility assets would remain to replace losses, deter other potential aggressors, or maintain a rotation base. Whether the U.S. could successfully counter a second major regional conflict almost simultaneously would depend on many factors including when, where, its size and nature, the extent of losses and duration of the first conflict, and support from other friendly countries.

The Bottom-up Review accepts a higher degree of risk and uncertainty than we have had in the past which must be mitigated to the extent possible by maintaining and enhancing the quality of U.S. forces. America must continue to field well-trained, well-led forces which possess superior equipment.

The Committee notes in this respect the following testimony it received on February 24, 1994 from the Chairman of the Joint Chiefs of Staff:

The forces and capabilities we are recommending and that Secretary Perry outlines are lean; in fact I would say very, very lean, but sufficient. Could we cut deeper? My answer is no. If we do, we will put our country in a straight jacket, one that will eliminate the flexibility and strategic agility that our Nation requires.

The Committee expects the Department to continually review its force structure (including the roles and missions of various Service components) in view of changing world conditions and changing threats. The Department should not hesitate to recommend promptly any changes to its requirements if and when warranted. The U.S. must ensure that it does not end up with a policy-strategy-force mismatch in which commitments are made that cannot be kept.

## MODERNIZATION TRENDS

The scope of the reductions in defense is especially noticeable in the procurement account as shown by the following table:

### BUDGET AUTHORITY FOR PROCUREMENT IN CONSTANT FISCAL YEAR 1995 DOLLARS

Fiscal year:	In billions
1985	\$132.7
1986	122.8
1987	102.8
1988	98.8
1989	94.5
1990	93.7
1991	80.2
1992	68.5
1993	55.9
1994	45.8
1995	43.3
Reduction from fiscal year 1985 level	89.4

While the current low levels of procurement are generally acceptable given current inventory and the significant drawdown in force structure, the Committee believes it is vital that the relatively small U.S. force structure of the future retain its technological edge.

Budget realities make it more important than ever that the new capabilities to be acquired address the threats of the future and not the past. It is especially important to make the modernization investments necessary for "force multipliers" such as precision-guided munitions, sophisticated communications systems, and improved intelligence collecting capabilities.

The Future Years Defense Plan depends heavily on the successful deployment of such force enhancements as:

- Advanced munitions like the CBU-97B Sensor-Fused Weapon to give aircraft the capability to disable or destroy multiple vehicles in a single pass;
- The Joint Direct Attack Munition to allow aircraft to accurately deliver ordnance without laser designation;
- New sensors for electronic surveillance of the battlefield to provide adverse weather surveillance at increased depths and with wide-area, continuous coverage;
- The MIA2 tank which can increase the lethality of a tank company by 20 percent compared to those equipped with MIA1 tanks;
- Planned improvements to sealift and airlift capabilities with faster, bigger ships, and new, highly capable aircraft;
- Enhanced equipment prepositioning to strengthen U.S. defensive capabilities in the critical opening phase of a conflict;
- Enhanced readiness brigades in Army reserve components to provide critical depth to Army combat power;
- Theater ballistic missile defense systems to better protect U.S. forces on land and at sea;
- Stealth technology.

These and other technology enhancements combined with new concepts of operation and organization to take advantage of this technology have the potential of giving American forces new, far-reaching and effective warfighting capabilities with relatively small numbers of personnel and equipment. Successful technology development, deployment and exploitation is key to doing "more with less" in the years ahead.

## THREATS HAVE NOT EVAPORATED

In historical perspective and in the perspective of America's total wealth, the funds provided in this budget for defense are comparatively modest.

There are those who would argue that because of the demise of the Soviet Union, reductions in defense spending should be even deeper than the significant reductions outlined in the President's plan. Unfortunately, the end of the Cold War has not brought about a tranquil era in the world. Interestingly, the major engagements and deployments of U.S. forces in the past decade or so have had little to do with fighting communism:

- The attack on Libya;
- The invasion of Panama;
- The Persian Gulf War;
- The deployment to Somalia; and
- Sanctions enforcement against the Republic of Yugoslavia.

Each passing day brings home the point that the post-Cold War era may well be a volatile and dangerous time. Ethnic, cultural, and religious enmities exist and are increasing in the Balkans, Africa, and Middle East. At least 20 countries-many of them hostile to the U.S.-have now or are seeking to develop nuclear, biological and/or chemical weapons and the means to deliver them. More than 12 countries have operational ballistic missiles, and others have programs to develop them. There is no question that America, as the world's only superpower, must maintain an adequate and robust national defense posture in this era of change and turbulence.

The need to be prepared was expressed succinctly by the Chairman of the Joint Chiefs of Staff before the Committee on February 24, 1994:

Since our Nation was founded, we have never experienced a 20-year period of uninterrupted peace. Put another way, no soldier in this country's history has ever completed a military career when the Nation did not engage in armed conflict at least once. This is the reality that underscores our need to remain ready.

## READINESS

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### NO HOLLOW FORCE

Our country has in the past allowed the combat readiness of our armed forces to lapse into a hollow force after every major war. America frequently paid a high price in lifeblood and treasure when the next conflict erupted. The Committee heard the following testimony on this point from the Chairman of the Joint Chiefs of Staff:

All of you know what we went through after World War II, after Korea, and again after Vietnam. It was a cycle of declines followed by disaster that we cannot and we must not repeat.

The Committee is concerned about early signs of new readiness problems after the end of the Cold War. For instance, the Joint Chiefs of Staff have reported recently that:

- the transfer of operation and maintenance readiness funds to support unbudgeted operations in Somalia, the Persian Gulf, the former Republic of Yugoslavia, and other contingencies has reduced the overall operational readiness of U.S. forces;
- military recruiters are citing a growing negative trend in their ability to recruit the desired number and mix of qualified personnel;
- the tempo of operations (OPTEMPO) which has increased over the past three years and is projected to remain high in the future, has and will continue to divert time as well as funds from necessary training and maintenance activities;
- the increased OPTEMPO has caused Navy and Marine deployment times for many units to exceed optimal goals, raising concerns over morale and leaving less time for training in warfighting skills;
- the combination of increased equipment operating hours and deferred maintenance due to lack of funds is creating an equipment maintenance backlog that reduces readiness;
- shortages are beginning to appear for critical spare parts;

-facility maintenance backlogs are growing at high rates, which reduce readiness.

The Committee commends the administration for recognizing these early signs and for taking action to break this "boom and bust" readiness cycle by proposing a defense budget that places top priority on improving readiness.

The Secretary of Defense stated this objective in testimony to the Committee earlier this year:

The Defense guidance for the first time in history this year called out on the first page of the guidance that readiness is the top priority of the Defense Department and went on to say, any other requirement we put forward in this document may be traded off in favor of readiness.

That guidance reflects itself in services submissions to us which show increases in funding for readiness this year over previous years.

The Chairman of the Joint Chiefs of Staff also stressed this change of priority when he testified as follows:

Our O&M budget authority will rise in fiscal year 1995 and it fully funds the steaming days, the training hours, and the flight hours at the levels that military commanders believe are essential. As well, the increase in depot maintenance funding of nearly 20 percent will go a long way to ensuring that our equipment is ready to fight.

The point is that we are breaking the bad habits that undermined readiness in the past.

The Committee heartily endorses this administration initiative. Keeping U.S. military forces ready to fight has been a top defense priority of the Committee on Appropriations for many years.

Although this is a good start, reversing the latest readiness trends will require higher funding levels over several years. The Committee is concerned that this commitment will become more and more difficult to keep in the years ahead as the cap on discretionary spending continues to cut real spending power over the next four years (See p. 17). This may require deferral or outright cancellation of important modernization acquisitions that are in the current FY 1995-1999 Future Years Defense Plan (FYDP).

The Committee expects the administration to "stay the course" in the years ahead by continuing to emphasize readiness as a budget priority.

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#### COMMITTEE READINESS INITIATIVES

The Committee has fully funded the administration's 1995 readiness requests in the Military Personnel and Operation and Maintenance appropriation accounts. The administration's budget request increases constant dollar operating resources by +14% per Army combat battalion, +11% per Navy ship, +12% per Air Force aircraft between FY 1993 and FY 1995.

To further strengthen the administration's initiative, the Committee recommends major readiness enhancements totaling over \$3,400,000,000 over the budget request in the following areas:

- +\$607,000,000 for depot maintenance;
- +\$517,000,000 for real property maintenance;
- +\$17,000,000 for recruiting and advertising;
- +\$90,000,000 for war reserve spare parts;
- +\$465,000,000 for military pay increases;
- +\$250,000,000 for a new Korean Readiness Enhancement Account;
- +\$400,000,000 for ammunition;
- +\$310,000,000 for increased unit training and support;
- +\$250,000,000 for Sealift;
- +\$530,000,000 for civilian pay increases.



The Committee notes that the FY 1994-98 discretionary budget caps call for a total \$72 billion constant dollar reduction in discretionary spending over five years. This will place severe strains on maintaining necessary combat readiness levels in the years ahead. Nevertheless, the Committee believes readiness must continue to be a top budget priority in future budgets.

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#### IMPROVED READINESS RATINGS

The Committee supports DoD efforts to develop better methods to measure the combat readiness of U.S. forces. Current readiness measures are rough guides at best in predicting how well U.S. forces are prepared to fulfill potential missions.

Current readiness measures focus only on front line assets while omitting training bases and other essential overhead that amounts to 40 to 50% of the active force. These measures also focus on the status of individual units, but rarely rate the adequacy of overall force structures. They also depend on certain non-standard qualitative assessments by commanding officers who possess different degrees of experience, apply different criteria and make subjective judgements. Peacetime and wartime standards are also dissimilar in many instances.

The Committee believes it would be beneficial if better readiness measures could be developed against which resources could be applied and upon which budget decisions could be based. The Department and the Joint Chiefs of Staff should give high priority to ongoing efforts such as those of the Senior Readiness Oversight Council which is undertaking this task.

The Committee expects the Department to work towards formalizing a budget process for the Operation and Maintenance account that is based on comprehensive and quantitative readiness measures that can be expected to reasonably predict the readiness of U.S. forces under different resource assumptions. The Committee recommends that the FY 1997 Operation and Maintenance budget justification documents contain a new readiness exhibit which displays:

- historical readiness trends on a yearly basis measured by new analytical ratings;
- the priority ranking of each performance measure for achieving the desired level of force readiness;
- the proposed performance level against each quantitative measure for the coming budget year and the specific resources proposed to be appropriated to achieve each objective;
- a detailed assessment of actual readiness performance in the previous year as measured against the performance objectives assumed in the applicable Appropriations Act including specific reasons for not reaching any of the objectives.

The Committee realizes that other DoD appropriation accounts have significant impacts on force readiness. The Committee will review extending the concept of readiness budgeting for non-Operation and Maintenance accounts as new performance measures are developed and perfected.

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#### KOREAN READINESS ENHANCEMENT ACCOUNT

Despite the recent flurry of diplomatic activities, the Committee is concerned about the increased tension on the Korean peninsula subsequent to the submission of the FY 1995 budget. The intransigence of the North Koreans regarding inspection of their nuclear facilities has ominous implications for stability in Asia.

While the Committee supports the ongoing diplomatic efforts to resolve this matter, we must ensure that U.S. forces have the resources to meet any contingency that might rise. The commanders of the ROK/US Combined Forces have long recognized the threats they face and have made extensive preparations to deter, and if necessary, to defeat a North Korean attack.

To buttress these preparations, the bill appropriates an additional \$250,000,000 for a new Korean Readiness Enhancement Account in Title VI. A portion of these funds is for improving the logistics support system and enhancing tactical intelligence and communications capabilities. Funds are also appropriated towards the fiscal year 1995 expenses of the Administration's recent initiative to deploy Patriot missiles and Apache helicopters to the Korean peninsula.

Many other Committee initiatives in numerous accounts will also enhance the readiness of U.S. forces in South Korea. This includes additional funds to maintain the B-52 bomber force at existing levels.

The Committee is committed and will strongly support all necessary requirements to maintain and enhance the combat strength and readiness of U.S. forces in Korea. The Committee believes an increased level of commitment must also be shown by the Republic of Korea. The Committee has received testimony indicating that South Korea recently has made important strides in focusing its resources on key military capabilities. However, certain ROK military deficiencies still exist. The Committee believes it is prudent for South Korea to increase its financial commitment to modernize its ground forces and improve readiness in a manner that maximizes the capabilities of the ROK-US combined defense structure.

Additional details on the Korean Readiness Enhancement Account appear later in the report.

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#### RESERVE COMPONENTS

An increasingly important segment of the overall readiness of our Armed Forces is the Reserve components. For example, a comparison of the active force level vis-a-vis the Reserve components during the 1987-1997 time frame, shows that while the active force will have declined from 2.2 million to 1.5 million, the Selected Reserves will decrease from 1.2 million to 934,000. In other words, while the active force declines by 32%, the Reserve components declines by 19%. See following table:

#### ACTIVE VS RESERVE FORCE LEVELS

	Actual fiscal year 1987	Projected fiscal year 1997	Difference	Difference (percentage)
Active	2,174,000	1,469,000	-705,000	-32
Selected Reserve <sup>1</sup>	1,151,000	934,000	-217,000	-19

<sup>1</sup>Selected Reserves do not include Individual Ready Reserve and Inactive National Guard.

In recent years, the Department of Defense has placed a greater portion of the combat support and combat service support force structure in the Reserve components. The success of this concept was proven during Operation Desert Shield/Storm. Based on this success, the Department plans to place an even greater reliance on the Reserve components in the future, including enhanced readiness for 15 combat maneuver brigades with deployment times reduced to 90 days.

The Committee has taken initiatives to enhance the readiness and effectiveness of the Guard and Reserves including a pay raise and a substantial increase in the procurement account for high priority equipment.

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#### PREVIOUS COMMITTEE INITIATIVES

The Committee is proud of its record of oversight of Defense activities. Over the years, the Committee has made many important adjustments to Defense budgets which have contributed greatly to the ability of our forces to successfully prosecute their mission.

For instance, the Committee was responsible for changing DoD acquisition plans to add such important capabilities as:

- Patriot missile batteries;
- Fast "roll-on/roll-off" sealift ships;
- M1 tank upgrades;
- Bradley Fighting Vehicle upgrades; and
- Heavy trucks;

which were all credited as major contributors towards victory in Operation Desert Storm.

The Committee's insistence on higher readiness expenditures over the years has resulted in a better trained and better prepared force with higher morale.

The Committee has accelerated development of the JSTARS surveillance aircraft, and in previous years has prevented the premature cancellation of such important programs as the AH-64 Apache attack helicopter, the OH-58D Kiowa Warrior armed scout helicopter, the F-16 fighter, and MLRS rockets until more satisfactory inventory postures were achieved.

The Committee has initiated important programs such as Ship Self Defense to guard against cruise missile attacks, the V-22 Osprey tiltrotor aircraft, the M1-A2 tank upgrade, the Bradley Fighting Vehicle upgrades, military pay raises, ammunition stockpile modernization, various health care improvements, environmental clean-up research, and simulation training technologies.

Technological initiatives of the Committee such as Sematech, high definition flat panel displays, and efforts to increase the number of U.S. science and engineering students have moved forward the state-of-the-art in several critical technology areas and have protected and expanded American jobs and the American technological base.

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#### MAJOR FY 1995 COMMITTEE INITIATIVES

For FY 1995, the Committee recommends several significant initiatives:

**Korean Enhanced Readiness:** In light of recent events, the bill provides \$250 million for a new account to enhance the readiness of U.S. forces in Korea. Funds are expected to upgrade logistics systems, improve communications and intelligence gathering capabilities, and modernize base support equipment. In addition, funds are included elsewhere in the bill to maintain the B-52 bomber force at existing levels. This is an increase of 10 primary authorized aircraft over the budget request.

**Depot Maintenance:** The bill includes a \$607 million increase over the budget request for depot maintenance to reduce the \$2 billion depot maintenance backlog. This is expected to significantly enhance the readiness of field units.

**Real Property Maintenance:** The bill includes a \$517 million increase over the budget request for real property maintenance. The Committee continues to be concerned about the growth of the real property maintenance backlog and its effect on morale. The projected backlog for fiscal year 1995 amounts to over \$12 billion. Since fiscal year 1993, the backlog has grown 33%. Of particular concern to the Committee is the condition of barracks and dormitories at many of the installations. In the reserve components, many of the armories and Reserve centers are also in need of repair.

**Ammunition Industrial Base:** The Committee recommends an increase above the budget of \$400 million to support and sustain the fragile ammunition industrial base. The recommended action procures additional training and war reserve ammunition, accelerates disposal of unusable munitions, and increases the level of production facility consolidation and layaway.

**Small Arms Industrial Base:** The Committee recommends increases in production levels for six Army small arms weapon procurement programs. These increases sustain industrial production and engineering capability while filling existing requirements for these weapons.

**Increased Training Support:** The bill includes a \$310 million increase over the budget to increase training for battalion-sized units and to support exercises that foster intra/interservice teamwork.

**Increased War Reserve Spare Parts:** The bill includes \$90 million above the budget for important war reserve stocks.

**Military Pay Raise:** The bill includes a \$465 million increase above the budget to finance an additional 1 percent increase in pay for active, Guard and Reserve forces. This would bring the total increase to 2.6 percent.

**Civilian Pay Raise:** The bill includes a \$530 million increase above the budget to finance an additional 0.4 percent increase in pay for civilian employees. This would bring the total increase to 2 percent. These funds would also finance one-half of the scheduled increase for civilian locality pay adjustments. The budget proposed no increases for locality pay.

**Intelligence:** The bill reduces funds for the National Foreign Intelligence Program by over \$400 million below the budget request.

**Early Warning Satellite Systems:** The bill includes a \$180 million increase above the budget to accelerate the new ALARM missile early warning satellite system. This will permit early fielding of an improved capability to detect the firing of mobile theater ballistic missiles.

**DoD Space Programs:** The bill strengthens DoD space programs by adding \$140 million above the budget for upgrading launch vehicles. The bill also centralizes DoD-wide space procurement and research and development funding, and terminates the Titan IV program after completion of the current contract.

**Theater Ballistic Missile Defense:** The bill includes a \$102 million increase above the budget to accelerate the Sea-Based Wide Area Defense (Navy Upper Tier) program which will provide ballistic missile protection from AEGIS ships. The bill also fully funds the next-generation ERINT and Patriot programs for ground-based ballistic missile protection.

**Strategic Mobility:** In keeping with the Committee's longstanding commitment to improve critical mobility forces, the bill provides \$250 million above the budget to continue the expansion of U.S. organic sealift capability. The bill improves strategic and theater airlift capabilities by providing funds to acquire six C-17 aircraft and a total of ten C-130 aircraft for Reserve components. The bill also provides the full budget request to support continued prepositioning of heavy equipment, ammunition, and sustaining supplies both ashore in host-nation facilities and afloat in specially configured ships.

**TSSAM Missile:** The bill provides no additional funds for the Tri-service Standoff Attack Missile (TSSAM) program. This program has experienced large cost overruns and years of schedule delay.

**Conventional Air-Launched Cruise Missiles:** The bill provides \$37 million to convert strategic air-launched cruise missiles that are currently in the inventory to stand-off conventional missiles. This will provide the B-52 bomber fleet with a low-cost precision guided weapon years earlier than currently planned. There was no budget request for this item.

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#### TRACK RECORD ON DISCRETIONARY SPENDING

The Committee on Appropriations has done its job in controlling overall discretionary spending. The following table displays spending in constant dollars from 1968 through 1998. The projections for the outyears are based on the agreements embodied in law and in the fiscal year 1995 budget resolution.

As the table indicates, the total growth in discretionary spending over this thirty year period is 0%. This is truly remarkable given the changes in the country and the world over this time period. The projected annual expenditure level for discretionary spending for fiscal year 1998 is over \$100 billion below the fiscal year 1989 level-the year the Berlin Wall came down.

There is no question that recent deficit reduction efforts which have required the discretionary spending category to bear a very large share of spending cuts have forced and will continue to force deep and perhaps unwise reductions in national security programs as well as other vital domestic and international discretionary programs.

#### OUTLAYS FOR MAJOR SPENDING CATEGORIES FISCAL YEARS 1968-1998

[In billions of constant 1994 dollars]

	Discretionary spending	Entitlements and other mandatory spending	Deposit insurance	Net interest	Offsetting receipts	Total outlays
1968	486.1	223.3	-2.1	44.2	-42.3	709.2
1969	464.8	234.3	-2.3	48.4	-42.1	702.8
1970	454.7	250.7	-1.8	52.5	-41.9	714.2
1971	443.4	288.4	-1.3	51.8	-49.1	733.1
1972	448.1	325.9	-2.0	52.1	-47.5	776.6
1973	437.0	363.3	-2.6	56.2	-58.3	795.5
1974	425.3	379.4	-1.8	64.0	-63.1	803.7
1975	441.1	446.4	1.4	63.1	-49.7	902.2
1976	446.5	482.5	-1.5	68.0	-49.9	945.6
1977	466.3	488.8	-6.6	70.7	-50.9	968.2
1978	486.1	507.6	-2.2	78.8	-50.7	1,019.6
1979	489.8	506.5	-3.6	87.0	-52.2	1,027.5
1980	507.7	535.4	-0.7	96.5	-53.5	1,085.2
1981	514.3	568.5	-2.3	114.8	-63.2	1,131.9
1982	508.7	581.3	-3.3	132.6	-56.2	1,163.1
1983	527.8	614.7	-1.7	134.1	-67.7	1,207.2
1984	543.9	582.0	-1.2	159.2	-63.4	1,220.4
1985	575.1	621.8	-3.0	178.9	-65.1	1,307.7
1986	591.9	619.8	2.0	183.4	-61.9	1,335.2
1987	583.1	616.2	4.1	181.7	-69.4	1,315.6
1988	585.4	622.1	12.6	191.1	-71.7	1,339.4
1989	588.4	632.3	26.4	203.4	-76.8	1,373.8
1990	574.3	649.5	66.5	210.9	-67.3	1,433.9
1991	582.7	691.0	72.3	212.0	-115.5	1,442.5
1992	566.9	752.7	2.8	210.9	-72.8	1,460.5
1993	556.8	782.3	-28.7	204.1	-68.9	1,445.6
1994 <sup>1</sup>	544.3	801.9	-3.5	201.2	-68.1	1,475.7
1995 <sup>1</sup>	530.0	832.0	-11.8	207.5	-82.4	1,475.3
1996 <sup>1</sup>	513.9	846.7	-13.2	216.7	-67.5	1,496.5
1997 <sup>1</sup>	498.7	881.9	-5.5	220.3	-68.7	1,526.8
1998 <sup>1</sup>	485.1	913.1	-4.3	223.3	-70.7	1,546.5
Percentage change 1968-1998	0	+309		+405		+118

<sup>1</sup>Projection (April 1994).

Source:  
Congressional  
Budget Office.

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#### HIGHLIGHTS OF COMMITTEE RECOMMENDATIONS ACTIVE MILITARY PERSONNEL

The Committee recommends a total of \$61,558,057,000 for military personnel, an increase of \$378,754,000 above the budget request. The Committee agrees with the authorized end strength as requested in the President's budget. The Committee added \$406,000,000 above the budget request, for a 2.6 percent pay increase for fiscal year 1995 for active military personnel.

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## GUARD AND RESERVE

The Committee recommends a total of \$9,335,445,000, an increase of \$39,351,000 above the budget request for Guard and Reserve personnel. The Committee agrees with the authorized end strength as requested in the President's budget, but added additional end strength in the Air Force Reserve for restoration of programs that were deleted. The Committee added \$59,000,000 for a 2.6 percent pay increase for fiscal year 1995 for Guard and Reserve personnel.

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## OPERATION AND MAINTENANCE

The Operation and Maintenance appropriation provides the resources necessary to maintain high readiness of our Armed Forces and to provide a quality of life of our military personnel, their families and civilian employees.

The Committee recommends over \$2 billion in increases above the budget for key readiness activities. Substantial reductions were made in lower priority programs such as consultants, auditors, environmental programs and automatic data processing. Substantial savings were also realized because of faster than projected attrition of civilian personnel.

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## PROCUREMENT

The Committee recommends \$43,651,019,000 in new obligational authority for procurement. Major programs funded in the bill include the following:

- \$388,559,000 for 60 UH-60 Blackhawk helicopters.
- \$225,000,000 for 36 AHIP helicopter modifications.
- \$214,086,000 for 872 Javelin missiles.
- \$115,858,000 for 148 ATACMS missiles.
- \$145,438,000 for the Bradley base sustainment.
- \$237,603,000 for the 155MM Howitzer Improvement Program.
- \$190,129,000 for the MIA2 Tank Upgrade Program.
- \$1,274,644,000 for Army ammunition.
- \$145,744,000 for 4 AV-8B aircraft.
- \$1,018,760,000 for 24 F/A-18 aircraft.
- \$216,721,000 for 18 AH-1W helicopters.
- \$214,000,000 for 7 SH-60B helicopters.
- \$297,828,000 for 4 E-2C aircraft.
- \$245,400,000 for 12 T-45 trainer aircraft.
- \$1,161,434,000 for aircraft modifications.
- \$696,018,000 for 18 Trident II missiles.
- \$301,993,000 for 217 Tomahawk missiles.
- \$249,072,000 for 202 Standard missiles.
- \$2,446,958,000 for the carrier replacement program.
- \$2,607,690,000 for 3 DDG-51 destroyers.
- \$2,197,214,000 for 6 C-17 aircraft.
- \$253,428,000 for trainer aircraft systems.
- \$445,339,000 for 2 E-8 JSTARS aircraft.
- \$299,462,000 for 413 AMRAAM missiles.

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## RESEARCH, DEVELOPMENT, TEST & EVALUATION

The Committee recommends \$34,467,940,000 for the RDT&E title, a reduction of \$1,757,073,000 from the budget request. Specific recommendations for selected programs are as follows:

The Committee provided an increase of \$92,200,000 for ship-self defense efforts in the Navy and ARPA.

The Committee provided \$277,164,000 for manufacturing technology programs, an increase of \$159,943,000 to the budget request.

The Committee provided \$201,391,000, the budget request, for the Joint Advanced Strike Technology program and followed the recommendation of the House Armed Services Committee to consolidate the Navy/ARPA Advanced Short Take Off and Landing (ASTOVL) program into JAST.

The Committee provided a general reduction of \$900,000,000 to university research due to fiscal constraints.

The Committee denied all funds to continue development of the Tri-Service Standoff Attack Missile, a reduction of \$230,183,000 to the budget request.

The Committee provided \$525,182,000, the budget request, for the RAH-66 Comanche helicopter.

The Committee provided \$175,476,000, the budget request, for the Armored System Modernization program. The Committee also added \$20,500,000 to accelerate the Bradley upgrade program.

The Committee provided \$115,857,000, an increase of \$40,000,000 to the budget request, for Digitization.

The Committee has provided an increase of \$237,000,000 for major Army medical research including AIDS, breast cancer and other cancers.

The Committee provided \$408,659,000, a decrease of \$100,000,000 to the budget request for development of the New Attack Submarine.

The Committee provided \$1,423,875,000, an increase of \$15,000,000 to the budget request for development of the F/A-18E/F aircraft.

The Committee provided \$496,930,000, the budget request, for the V-22 medium lift aircraft for the Marine Corps.

The Committee provided \$171,689,000, the budget request, for F-14 aircraft development.

The Committee provided \$105,154,000 for continued development and testing of the C-17 airlift aircraft, a reduction of \$116,300,000 to the budget request.

The Committee provided \$2,443,349,000 for continued development of the F-22 fighter aircraft, a reduction of \$17,800,000 to the budget request.

The Committee provided \$74,119,000, the budget request, for development of upgrades to the B-1B bomber aircraft.

The Committee provided \$408,543,000, the budget request, for development and testing of the B-2 bomber aircraft.

The Committee provided \$92,950,000 for development of high definition displays, an increase of \$25,000,000 to the budget request.

The Committee provided \$2,491,762,000 for Ballistic Missile Defense, a reduction of \$488,093,000 to the budget request.

The Committee denied the request of \$97,057,000 for a departmental level manufacturing technology program, and provided funds in the Service accounts instead.

The Committee transferred \$130,000,000 for the High Performance Computing Modernization Program to the Procurement, Defensewide appropriation.

The Committee transferred \$731,600,000 requested for defense reinvestment funds to a separate title.

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#### COMMITTEE BUDGET REVIEW PROCESS

During the regular review of the fiscal year 1995 budget, the Subcommittee on Defense held hearings during the time period of February 24, 1994 to May 4, 1994. Testimony received by the Subcommittee totalled approximately 2,200 pages of transcript.

Of the total some 200 pages will not be printed due to the security classification of the material discussed. Almost 44 percent of the hearings were held in open session. Executive or closed sessions were held only when the security classification of the material to be discussed presented no alternative.

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#### UNOBLIGATED AND UNEXPENDED BALANCES

The following tables compare the unobligated and unexpended balances for the military functions of the Department of Defense over the past 28 years for the entire Defense Budget and the accounts covered by this bill. The unobligated balances associated with the accounts covered by this bill are projected to decrease between the end of fiscal year 1993 and the end of fiscal year 1995 from \$51.4 billion to \$26.2 billion. The unexpended balances at the end of fiscal year 1993 and the end of fiscal year 1995 are projected to decrease from \$196.8 billion to \$158.1 billion.

#### UNOBLIGATED BALANCES, FISCAL YEARS 1967-94

[In millions of dollars]

Fiscal year	Total unobligated balance <sup>1</sup>	Pertaining to appropriations in the basic DoD appropriations bill
At the end of fiscal year:		
1967	13,725	12,244
1968	13,494	11,666
1969	13,669	12,022
1970	13,565	11,966
1971	11,463	9,689
1972	10,203	8,319
1973	10,911	9,009
1974	13,393	11,131
1975	15,375	12,795
1976	18,655	15,697
1977	17,651	15,613
1978	18,531	16,772
1979	17,862	16,158
1980	19,369	17,750
1981	23,239	21,369
1982	31,354	28,025
1983	39,710	35,716
1984	47,817	43,617
1985	54,857	50,704
1986	53,449	50,210
1987	43,336	40,528
1988	39,010	36,169
1989	39,553	34,695
1990	39,996	34,927
1991	70,355	64,538
1992	54,949	49,668
1993	57,327	51,389
1994 estimate	34,989	29,126
1995 estimate	30,476	26,160

<sup>1</sup>Basic and military construction bills

Note.-Unobligated balances for revolving funds and trust funds are excluded from this table, the 1993 unobligated balance includes \$10,457 for expired accounts.

#### UNEXPENDED BALANCES, FISCAL YEARS 1967-94

[In millions of dollars]

Fiscal year	Total unexpended balance <sup>1</sup>	Pertaining to appropriations in the basic DoD appropriations bill
At the end of fiscal year:		
1967	42,541	39,937
1968	43,225	40,111
1969	40,957	38,157



1970	37,394	35,755
1971	33,814	30,953
1972	33,829	30,614
1973	37,143	33,462
1974	40,569	36,522
1975	40,515	35,977
1976	47,539	42,964
1977	58,616	53,785
1978	69,125	64,632
1979	77,423	72,619
1980	84,118	79,658
1981	102,087	96,535
1982	129,855	122,075
1983	159,792	150,605
1984	190,409	180,218
1985	226,231	214,607
1986	235,160	223,587
1987	240,141	229,140
1988	240,722	230,211
1989	234,911	223,991
1990	235,437	224,856
1991	255,332	243,112
1992	231,223	217,436
1993	207,602	196,775
1994 estimate	179,333	164,756
1995 estimate	172,558	158,143

<sup>1</sup>Basic and military construction bills.

Note.-Unexpended balances for revolving funds, trust funds and unfunded contract authority are excluded from this table. A great deal of the unexpended balances represent legally binding documents calling for ultimate cash payment (unliquidated obligations) such as contracts for ship, aircraft, or missile construction. (Such major weapons systems are normally funded even though deliveries may not occur for 2 or 3 years.) The remaining unobligated balances represent amounts which are made available to fund approved programs, but which are not yet obligated in the technical legal sense. By and large, these funds are committed to the programs for which initially appropriated, awaiting the completion of the contracting or other legal prerequisites of obligations.

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#### REPROGRAMMING ACTIONS APPLICABLE TO THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

Throughout the fiscal year, the Department of Defense is given authority to reprogram or transfer funds to programs considered by DOD to be of higher priority. As in any financial plan, funding requirements change during the fiscal year making it necessary to institute certain adjustments. While the Committee realizes a certain degree of flexibility is needed in any budget plan, it feels these reprogramming actions should be kept to an absolute minimum.

The programming actions consist of reprogrammings requiring specific congressional approval, reprogrammings requiring congressional notification and reprogrammings able to be carried forth by the Department of Defense without congressional action or notification. As is reflected in the following table, for fiscal year 1993, a total of 502 reprogramming actions were implemented by the Department of Defense totaling some \$3,026,000,000.

#### REPROGRAMMING ACTIONS FOR FISCAL YEARS 1987-93

[Dollars in millions]

	Fiscal year	Number of actions	Total amount
1987:			

Requiring congressional action	45	1,705
Not requiring congressional action	620	1,726
1988:		
Requiring congressional action	51	3,506
Not requiring congressional action	547	1,512
1989:		
Requiring congressional action	35	2,564
Not requiring congressional action	640	1,501
1990:		
Requiring congressional action	32	3,251
Not requiring congressional action	628	1,652
1991:		
Requiring congressional action	13	3,369
Not requiring congressional action	559	1,401
1992:		
Requiring congressional action	2	1,238
Not requiring congressional action	492	1,152
1993:		
Requiring congressional action	5	1,822
Not requiring congressional action	497	1,204

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FORCES TO BE SUPPORTED  
DEPARTMENT OF THE ARMY

The fiscal year 1995 budget is designed to support active Army forces of 12 divisions, 2 separate brigades and 3 armored cavalry regiments, and reserve forces of 8 divisions, 14 separate brigades, 7 roundout/roundup brigades to active divisions and 1 armored cavalry regiment. These forces provide the minimum force necessary to remain a superpower, meet enduring defense needs, and execute the National Military Strategy.

A summary of the major active forces follows:

	Fiscal year 1993	1994	1995	
1992				
Divisions:				
Airborne	1	1	1	1
Air Assault	1	1	1	1
Light	4	4	3	2
Infantry	1	1	1	1
Mechanized	5	4	4	4
Armored	2	3	3	3
Total	14	14	13	12
Non divisional Combat units:				
Armored cavalry regiments	3	3	3	3
Separate brigades	4	4	4	2
Total	7	7	7	5
Active duty military personnel, end strength (thousands)	611.3	575	540	510

## DEPARTMENT OF THE NAVY

The fiscal year 1995 budget supports ship battle forces totalling 373 ships at the end of fiscal year 1995, a decrease from fiscal year 1994. Forces in fiscal year 1995 include 16 strategic ships, 11 aircraft carriers, 292 other battleforce ships, 37 support ships, 17 reserve force ships, 1846 Navy/Marine Corps tactical/ASW aircraft, 636 Undergraduate Training aircraft, 447 Fleet Air Support aircraft, 447 Fleet Air Training aircraft, 464 Reserve aircraft, 181 RDT&E aircraft, and 482 aircraft in the pipeline.

A summary of major forces follows:

	Fiscal year-		
	1993	1994	1995
Strategic Forces	24	18	16
Submarines	22	16	16
Other	2	2	0
SLBM Launchers (MIRV)	464	376	384
General Purpose	342	314	303
Aircraft Carriers	13	12	11
Surface Combatants	124	110	115
Submarines	88	87	83
Amphibious Warfare Ships	54	41	39
Combat Logistics Ships	50	47	42
Other	13	15	13
Support Forces	51	41	37
Mobile Logistics Ships	17	14	11
Support Ships	34	27	26
Mobilization Category A	18	16	17
Aircraft Carriers			1
Surface Combatants	16	16	14
Amphibious Warfare Ships	2	0	0
Mine Warfare	0	0	2
Total Ships, Battle Force	435	387	373

Total Local Defense/Misc Forces	153	156	166
Auxiliaries/Sealift Forces	136	147	154
Surface Combatant Ships	0	1	3
Coastal Defense	2	8	13
Mobilization Category B	15	0	1
Surface Combatants	8	0	0
Mine Warfare Ships	5	0	1
Support Ships	2	0	0

Naval Aircraft:

Primary Authorized (Plus-Pipe)	5,333	4,841	4,503
Authorized Pipeline	629	518	482
Tactical/ASW Aircraft	2,131	1,944	1,846
Fleet Air Training	532	490	447
Fleet Air Support	490	463	447
Training (Undergraduate)	707	666	636
Reserve	613	565	464
Research and Development	231	195	181

Naval Personnel:

Active	726,511	708,300	654,900
Navy	509,950	471,476	441,641
Marine Corps	184,590	181,900	174,100

Reserve:

Navy	132,395	113,400	100,710
SELRES	110,937	94,031	83,200
FTS (TARS)	21,458	19,369	17,510

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DEPARTMENT OF THE AIR FORCE

The fiscal year 1994 Air Force Budget was designed to support a total active inventory force structure of 52 fighter and attack squadrons, 10 Air National Guard air defense interceptor squadrons and 7 bomber squadrons, including B-2's, B-1's and B-52's. The Minuteman and Peacekeeper ICBM forces will consist of 580 active launchers.

A summary of the major forces as proposed in the President's Budget follows:

	Fiscal year			
	1992	1993	1994	1995
USAF fighter and attack squadrons (Active)	58	58	52	52
Air defense interceptor squadrons (ANG)	12	12	10	10
Strategic bomber squadrons (Active)	18	15	15	7
ICBM Launchers/silos	1,000	1,000	1,000	700
ICBM Missile Boosters	912	787	667	580
USAF airlift squadrons (Active):				
Strategic airlift	20	17	17	15
Tactical airlift	12	11	11	11
Total airlift	32	28	28	26
Total active inventory <sup>1</sup>	7,642	7,572	7,345	7,009

<sup>1</sup>Includes Active, ANG, AFRES-Except foreign government operated aircraft.

End strength	1993	1994	1995
Active duty	444,900	425,700	400,051
Reserve component	201,600	199,200	194,000
Air National Guard	119,300	117,700	115,581
Air Force Reserve	82,300	81,500	78,706

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#### NATIONAL FOREIGN INTELLIGENCE PROGRAM

The National Foreign Intelligence Program (NFIP) requests growth in fiscal year 1995 when compared with actual appropriations in fiscal year 1994.

As discussed under Title VII in this report and in the classified report which accompanies it, the Committee has recommended a net reduction to the NFIP of over \$400 million. This will provide robust funding for critically important intelligence programs while holding the total program funding to the fiscal year 1994 level.

## SPACE AND RELATED PROGRAMS ORGANIZATION AND MANAGEMENT

### INTRODUCTION

In fiscal year 1995 the Department of Defense and the intelligence community will spend \$13.5 billion for space programs. Even with the projected decline in overall national security spending, it is doubtful that space programs will decrease below that amount for the foreseeable future. As discussed last year, the Committee has become increasingly concerned that the basic processes which govern military and intelligence space programs have become ineffective and costly. While the individual programs are, in most instances, well designed and managed, there is inadequate coordination between programs, poor definition of greatly changed requirements, insufficient responsiveness to the users of space systems, inattention to potential cost savings in a fiscally constrained environment, and a lack of clearly defined responsibilities for space programs at the senior levels in the Pentagon.

### BUDGET REQUEST

In fiscal year 1995, the Department of Defense budget-which includes the requests of both the military and the intelligence communities-totals approximately \$13.5 billion for space programs. This represents 5.4 percent of the total requested budget authority of \$252.2 billion. As a point of comparison, the fiscal year 1995 NASA budget request totals \$14.3 billion, including its non-space programs. Thus, the annual Defense appropriations bill provides at least half of all funds for federal space programs.

Over the next 5 years, DOD plans to spend \$70.7 billion on military and intelligence space programs and activities. Of that amount, over 80 percent will be managed by the Air Force and over 70 percent will be for investment.

### POLICY

Last year the Committee concluded that there was no clearly defined U.S. national space policy. Despite the passage of another year, no such policy has yet emerged. The Committee also cited several exhaustive studies which had been performed in recent years to address various aspects of space policy. Since that time, DOD has completed its Space Launch Modernization Plan and the Office of Science and Technology Policy is completing its Launch Policy Study. Although these two new studies document yet again the same problems, there appears to be no specific policy direction on the horizon for space launch. Moreover, the fundamental management approach still appears to be to address each space function or activity piecemeal. For example, the OSTP study will essentially propose to let DOD and NASA continue doing what they currently do, and simply encourage each agency to cooperate where possible. DOD will continue to look for ways to improve the robustness of existing expendable launch vehicles, with no direction regarding what to do with the excessively expensive Titan IV.

The Committee continues to believe that there is a need for a national space vision to: (1) define the military, intelligence, civil, and commercial space sector objectives; (2) direct a clear course of action for addressing each sector's mission needs and operational requirements; (3) establish a mechanism for converging each sector's approach to satisfying its technical and funding requirements; and (4) identify potential financial, technological, and societal benefits to be achieved.

Last year, the Committee expressed concern that there was insufficient coordination of space programs at the policymaking level in the office of the Secretary of Defense. Although the Assistant Secretary of Defense (ASD) for International Security Policy (ISP) has since been designated to fill this policy vacuum, little real progress has been made. The Committee strongly believes that a separate, permanent, civilian Deputy Assistant Secretary of Defense for Space Programs should be created within the office of the ASD (ISP) and is, therefore, directing that such a position be established.

Historically, the military services have inadequately funded space programs that are not service-peculiar, but have a broader defense-wide mission. One solution would be to create a separate \$13.5 billion appropriation. However, the Committee has, pending further consideration, decided not to pursue this option. Instead, as an interim step, the Committee has centralized into either Procurement, Defense-wide or RDT&E, Defense-wide, as appropriate, funding for the major space programs which are service non-specific. Included are all launch vehicles, and satellites and ground control systems for such satellites as MILSTAR, ALARM and DSCS. The Committee also directs that as a

part of the fiscal year 1996 request such centralized funding be continued. The only space related programs that should remain in a specific service procurement or R&D account are those that are uniquely related to that specific service, such as terminals, and that do not impact on the viability of the basic system itself.

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#### ACQUISITION

There are four major U.S. space sectors. The 1992 "Wilkening" report, sponsored by the now defunct National Space Council, concluded that the military, intelligence, civil, and commercial sectors each has its own institutional culture which encourages overlap and discourages cooperation. Addressing only the military and intelligence sectors funded in this bill, there are six different organizations responsible for acquisition-the Air Force, Army, Navy, National Reconnaissance Office, Ballistic Missile Defense Organization, and Advanced Research Projects Agency. A 1993 Air Force report concluded that these multiple space acquisition agencies create: fragmented responsibilities; duplicate facilities, staffs, and infrastructure; deficiencies in achieving economies of scale, optimizing existing capabilities, or focusing on validated operational requirements; and a lack of interoperability which complicates joint and combined military operations. The Air Force has also concluded that the cold war made space systems expensive, resulting in a crises-driven acquisition process. Because the cold war procurement rationale no longer applies, it is now time to look at today's threat and space systems in context and proceed on a more ordered and efficient path.

As indicated by the Committee last year, a single integrated space investment strategy is needed. If that cannot be accomplished in a timely fashion for the entire federal government, it should be possible for the Secretary of Defense and the Director of Central Intelligence to jointly prepare and implement such a plan for the military and intelligence sectors alone. To encourage such cooperation, the National Defense Authorization Act for Fiscal Year 1994 required the Secretary of Defense to submit a space investment strategy to the Congress aimed at reducing costs and increasing efficiencies. The report is not yet complete. In addition, in the fiscal year 1994 Defense Appropriations Act, this Committee required a detailed 5-year plan by February of 1994 on needed organizational changes. This study is not scheduled to be completed until August of 1994.

The plethora of studies drive toward five principal organizational changes that could be made to fix the space acquisition problem.

- Place acquisition responsibility entirely with the Air Force;
  - Place acquisition responsibility within the Air Force, but through joint program offices;
  - Create a space systems procurement executive office within OSD supported by each service;
  - Create a quasi-independent space corps within the Air Force to separately acquire and operate space systems;
- and

- Create a defense space agency to acquire and manage space systems.

Each of these proposals has its strengths and weaknesses-as well as its proponents and opponents. There is, however, a single theme which is common to these proposals. That is, better central oversight is needed to halt the current fragmented planning, management and execution of space acquisition programs.

The Committee is dismayed at the seeming inability of the Department of Defense not only to correct, but even to produce directed Congressional studies addressing the well-documented inefficiencies of DOD and intelligence space acquisition. Nevertheless, DOD and the intelligence community continue to request the appropriation of billions of dollars of funds annually.

The Committee is no longer willing to wait idly for solutions that may well never be proposed. As discussed previously, the Committee has centralized all space acquisition funding into two accounts: Procurement, Defense-Wide, and Research, Development, Test and Evaluation, Defense-Wide. It is anticipated that such centralization of funding under the control of the Under Secretary of Defense for Acquisition will permit that office to play a more active role in resource allocation and program oversight across service and organizational lines without disrupting the existing contracting process.

The Committee is also directing that all DOD space system acquisitions be placed under the management of a new Procurement Executive Officer (PEO) within the Office of the Under Secretary of Defense for Acquisition who will be supported by the existing military service and defense agency acquisition organizations. It is emphasized that this central PEO will be responsible for resolution of joint requirements, resource management, and program decision making. It will not be responsible for awarding contracts; that will be left to the military service or organization designated by the PEO to be responsible for contract award and management for each space system acquisition.

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## OPERATIONS

Space systems are used for information warfare by multiple and varied users. Most space systems provide capabilities for joint military operations or national purposes. Commanders of joint and combined military operations are expected to rely increasingly on information from space assets in future regional conflicts, particularly given the military experience with such information during the Persian Gulf War. For example, DOD's total satellite communication requirements for 1997 (measured in millions of bits per second of throughput) are divided as follows:

	Percent
National authorities and Commanders-in-Chief	50
DOD agencies	31
Military services	12
Non-DOD agencies	7
Total	100

The Air Force dominates the military space budget, yet generates little of the requirement. Nevertheless, its space budget competes with other service-specific Air Force requirements such as aircraft and missiles. This management structure does not appear to be in the best interest of the multiple and varied space users. An example of less than a total commitment to space is the Air Force leadership's repeated attempts not to fund the MILSTAR satellite development and acquisition.

Not only does the Air Force dominate DOD space acquisition programs in terms of dollars, it also dominates space operations in terms of dedicated civilian and military personnel.

	Number of personnel		
	Military	Civilian	Total
U.S. Space Command	443	128	571
Air Force Space Command <sup>1</sup>	22,737	17,371	40,108
Navy Space Command	249	245	494
Army Space Command	401	89	490

<sup>1</sup>Includes approximately 10,400 military and 1,300 civilian personnel to support the Minuteman and Peacekeeper programs for U.S. Strategic Command.

The Committee believes that space applications are inherently joint and that space information is crucial to all warfighters. The Committee is concerned about the U.S. Space Command's finding in its roles and missions study regarding the lack of a joint effort in the application of space systems to support warfighters. This became evident during the Persian Gulf War where space support was provided primarily on an ad hoc basis. No single organization had the assigned responsibility to bring space expertise to the theater commander, requiring multiple requests to different organizations in the U.S. for information.

According to the General Accounting Office, significant efficiencies could result from consolidating certain space education and training programs. In addition, a January 1994 study by the U.S. Space Command discussed inadequate joint training of space applications. Despite the U.S. Space Command's theater support teams, the Air Force Space Command's Space Warfare Center, the Naval Space Command's space support teams, and the Army Space Command's program to demonstrate and exploit space systems, there is:



- a lack of coordination among the commands;
- little direction from U.S. Space Command to ensure consistent training across all services and commands;
- no plan to establish a joint training effort or a joint space warfare center for exploiting space products by the warfighters; and
- the potential for redundancies among the four space commands.

Considering that military space systems are primarily used for joint purposes, the Secretary of Defense is directed to ensure that the U.S. Space Command creates a Joint Space Warfare Center in lieu of the Air Force Space Warfare Center, and that CINCSpace take the lead in providing space applications, education and training to the warfighting forces, including the study of tactics, techniques, and procedures, including the development of annual JCS exercises designed to emphasize the uses of military and intelligence space-based assets. In addition, to ensure that space education and training is indeed joint, the director of the U.S. Space Command Joint Warfare Center should be appointed from a different military service from that of the CINC making the selection. In addition, it is expected that over the long term, any "J/G-3", that is, joint or service director of operations, should be expected to have attended the Joint Space Warfare Center prior to his or her appointment.

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## LAUNCH VEHICLES INTRODUCTION

The U.S. government, primarily the Air Force, has 125 medium and heavy lift launch vehicles currently under contract as follows:

- 61 Delta II medium lift vehicles for various Air Force and NASA satellites;
- 9 Atlas II medium lift vehicles for the Defense Satellite Communications system;
- 14 Titan II medium lift vehicles for the Defense Meteorological Satellite Program; and
- 41 Titan IV heavy lift vehicles for the Defense Support Program satellite, MILSTAR, and classified payloads.

To date, nearly 50 of the 125 have been launched.

The Air Force Space Command, with input from other agencies, prepares the National Mission Model which schedules NRO, Air Force, Navy, BMDO, NASA, and U.S. commercial launches. While the Air Force purchases launch vehicles based upon the launch dates identified in the mission model, changes in these dates disrupt vehicle acquisition schedules and increase costs. For example, Atlas II and Titan IV costs are expected to be adversely effected by launch schedule stretchouts of 3 and 9 years, respectively. In the case of Titan IV, approximately 80 percent of the \$10 billion cost increase recently reported by DOD is related to the stretchout. The GAO has also found that Atlas may also experience a significant cost increase due to slow downs or adjustments in the production schedule, storage costs, additional tests for vehicle reliability, and additional launch service costs. It is clear that if DOD cannot establish more reliable launch schedules, it will continue to experience significant vehicle cost growth. A new launch system with standard interfaces and modular designs is one possible solution to coping with greater uncertainty in the launch schedules.

Currently, no overall space systems model exists to aid decision makers in assessing requirements, capabilities, and effectiveness of space assets as a total system. Instead, current planning is based on individual elements such as vehicles, satellites, launch facilities, and satellite control. DOD needs to focus on the overall contribution of space systems to the warfighter, instead of making decisions on individual system objectives that may suboptimize overall space objectives.

According to the GAO, the potential commercial market for medium-size launch vehicles is, and will continue to be, small. The two U.S. contractors that produce Delta and Atlas compete with foreign organizations for commercial launches which are projected to be approximately 17 per year. There is no driving requirement in the commercial community for a new launch vehicle. To the GAO, it appears that U.S. manufacturers will keep their market share in medium launch vehicles regardless of whether the Department of Defense finances an upgrade program. Future investment in upgrading or modernizing U.S. launch vehicles should be based upon national objectives rather than economic payback from the commercial market.

There is currently no coherent U.S. policy on the use of Russian launch vehicle technology. Russian launch systems and technology (Proton, Energia, and Zenit vehicles, and advanced engines) are available to the U.S. to improve the current launch fleet. However, several problems need to be overcome, including:

- Security and integration of U.S. payloads;
- Adequacy of Russian facilities and logistics support;
- Impact to the U.S. industrial base;
- Stability of Russian economies and politics;
- Language barriers; and
- Russian incentive to maintain any business relationship.

The Secretary of Defense is directed to provide no later than February 1, 1995, a policy statement for the use of Russian launch vehicle technology which provides U.S. commercial firms detailed guidance on the acceptability to DOD of such factors as: use of imported technology on critical DOD systems, licensing of technology to U.S. firms, and co-production agreements.

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#### NEW LAUNCH VEHICLE UPGRADE PROGRAM

Over the last decade, over \$2.0 billion has been spent for several different programs to develop a new "clean sheet of paper" launch vehicle. Most-the Advanced Launch System, the National Launch System, and Spacelifter-have been canceled because of a lack of affordability. Conversely, every one of the many studies and blue ribbon panels on space launch has concluded that the current fleet of launch vehicles is too costly and inefficient.

In the fiscal year 1995 DOD budget, there are no funds either for development of a brand new launch vehicle or for significant modifications to improve current vehicles or technologies. The recently completed Moorman Panel concluded a new "clean sheet of paper" vehicle would cost between \$5 billion and \$8 billion to develop. On the other hand, the Panel concluded that a major evolutionary upgrade of current vehicles could achieve many of the same benefits and cost only \$1 billion to \$2 billion to develop.

It is the Committee's belief that the expenditure of \$1 billion to \$2 billion could allow termination of the Titan IV heavy lift vehicle, make current medium launch vehicles more cost effective, and save billions of dollars over the next twenty years. For example, after the turn of the Century, if the average recurring launch cost of a new vehicle were \$300 million, the development costs would be repaid after only two launches since the comparable Titan IV average launch costs are projected to approach \$1 billion.

The House-passed authorization bill included \$100 million above the budget in fiscal year 1995 to start a major upgrade program based upon evolving current technologies. The Committee has, therefore, added \$90 million above the budget in FY 1995 and redirects \$10 million already provided to ARPA in FY 1994 to begin a major launch vehicle upgrade program with the following goals:

- Use current technologies or new technologies with a low development risk to create a new family of launch vehicles;
- Produce an operational vehicle that could be configured to replace Titan IV class payloads;
- Produce an operational vehicle that improves the commonality of hardware, payload interface, and launch support across medium and heavy launch vehicles; and
- Conduct an open competition; the Committee commends the advances of small innovative firms in developing low cost technology and directs DOD to incorporate these technologies into the competition.

To ensure that those goals are met, the Committee has included section 8106 which requires in law the Secretary of Defense to submit a plan no later than September 1, 1995 "for the development of and initiation of a competition for a family of launch vehicles that is: (1) capable of launching both medium and heavy payloads, (2) fully funded in the outyears, and (3) scheduled to be available prior to the launch of the forty-first Titan IV expendable launch vehicle". In the event that the Secretary does not comply with this legal requirement, funds cease to be available for the Titan IV program.

## REUSABLE LAUNCH VEHICLES

Conceptually, a Single Stage to Orbit (SSTO) launch vehicle would be reusable, cheap to operate, and be ready for a launch in only a matter of days after returning from space. Such a vehicle is generally referred to as "leap frog" technology because the next evolutionary step in space launch vehicle development would logically be a new-and more traditional-expendable vehicle, not a reusable vehicle. The Strategic Defense Initiative Organization (SDIO), now called Ballistic Missile Defense Organization (BMDO), built and tested a sub-scale, suborbital model of an SSTO vehicle. The flight tests will be completed during fiscal year 1994 and the total costs of the program will be approximately \$70 million. The fiscal year 1994 budget requested no funds for SSTO or reusable technology. However, the Congress appropriated \$40 million to continue development of an SSTO launch vehicle.

Virtually every launch vehicle study that has looked at the SSTO proposal concludes that it is unaffordable and technologically unavailable in the near future. Cost estimates for the full development program range from \$10 billion to \$40 billion to produce the first vehicle. The White House is expected to announce shortly that NASA, not DOD, will be responsible for developing the SSTO launch vehicle. It will not be DOD's responsibility to build an SSTO vehicle, nor would it be affordable for DOD to do so. However, there is value in DOD funding a few propulsion and materials technology development programs to determine the extent to which reusable launch vehicle components could be used to lower the cost of DOD's expendable launch vehicle fleet.

The House-passed authorization bill included \$100 million above the budget in fiscal year 1995 for SSTO development and reusable launch vehicle technology. The Committee has provided \$50 million above the budget in fiscal year 1995 for DOD to fund selected reusable launch vehicle technologies. DOD will also be expected to release the \$40 million already provided in fiscal year 1994. However, if responsibility for SSTO development is assigned to NASA, no funds should be provided to DOD for this effort.

## TITAN IV

The Titan IV expendable launch vehicle (ELV) is the largest in the U.S. inventory and is capable of placing 47,000 pounds in low earth orbit. The current Air Force contract with Martin Marietta is for 41 satellites, 28 of which are classified payloads. Most of the remaining 13 belong to the Air Force MILSTAR and the Defense Support Program (DSP). After completion of the current 41-vehicle contract, the Titan IV program will exist almost exclusively to support a few classified payloads. To date 9 of the 41 Titan IVs currently under contract have been launched. The total annual budget request for the entire Titan IV program is approximately \$1 billion.

Phaseout of Titan IV. Although the last of the 41 Titan IVs will not be launched until after 2002 at the earliest, the Air Force fiscal year 1995 budget includes \$40.9 million for advanced procurement for starting a new Titan IV buy. On April 21, 1994, the DOD Inspector General published a report that concludes that if there is a requirement for additional Titan IVs, then the Air Force would not need to start a new buy for a least 2 years.

The Committee has, therefore, deleted the \$40.9 million requested in fiscal year 1995 to begin a new Titan IV buy for which there is no requirement and has included within section 8106 a prohibition on the expenditure of any funds for procurement of over 41 Titan IV launch vehicles.

Each Titan IV launch currently costs approximately \$350 million just for the launch vehicle-excluding the satellite costs. By the year 2000 each launch may cost \$750 million, and by the year 2005 each launch could exceed \$1 billion-again excluding the satellite cost. By comparison, the cost in 2005 to launch a satellite on the medium class Atlas launch vehicle should be no more than \$200 million to \$300 million. Because of the excessive expense of using the Titan IV, all newly developed DOD satellites-for example, ALARM and the MILSTAR follow-on-are getting off of the Titan IV class vehicle. The NRO maintains that it will continue to use the Titan IV regardless of the cost. In conjunction with an initiative to develop a cheaper launch vehicle addressed in a separate recommendation, the Committee directs the Air Force to end the Titan IV program after the current contract. The Air Force is also directed to begin working with NASA to prepare Defense Support Programs satellites 21, 22, and 23 for launch on the shuttle, not on Titan IV. Significant dollar savings will result without any adverse schedule impact since these satellites are not planned for launch for at least 5 more years. In addition, the Committee has included in section 8106 specific

direction that, within the existing procurement of 41 Titan IV launch vehicles, 6 will be reserved for the launch of the first 6 MILSTAR (block I and II) satellites.

Transfer to NRO. Each year the Air Force budgets around \$600 million for fixed Titan IV infrastructure costs and for the incremental costs of the Air Force Titan IV launches scheduled in that particular year. The NRO also budgets approximately \$500 million each year only for the incremental costs of its launches in that year. Even though the NRO has most of the launches and drives most of the technical requirements, it is not required to pay for the fixed costs of the Titan IV. The NRO is also the only organization in the entire federal government that is not actively working to shift off of the Titan IV. The Committee is, therefore, assigning to the NRO the responsibility for budgeting for the fixed costs of the Titan IV. The Air Force and the NRO will each continue to budget for any incremental costs associated with their specific launches in any fiscal year. The Air Force is expected to continue aggressive efforts to downsize its large payloads such as MILSTAR.

Unreimbursed NASA Support: According to information provided by DOD, NASA owes the Air Force between \$100 million and \$200 million in reimbursements for Titan IV support. DOD should be billing NASA for all incremental costs as they are being incurred. Because NASA negotiated the current agreement with the Air Force in good faith and plans to fully reimburse the Air Force over the next several years, the Committee will take no action that might penalize NASA. However, the Air Force is reminded that all future agreements with NASA-or any other federal or commercial organization-must comply with the longstanding Congressional and DOD budgetary policy that incremental costs are to be reimbursed no later than the same year in which the costs are incurred.

Excess Titan IV Pads: The Air Force currently operates three pads capable of launching Titan IV vehicles-one on the west coast at Vandenberg Air Force Base, California, and two on the east coast at Cape Canaveral Air Force Station, Florida. This provides the capability of launching at least six Titan IVs per year-two Titan IVs per year from each pad. While the current launch schedule shows only one future year which might require the use of both east coast pads, that schedule is being revised to slow down some Defense Support Program launches and transfer others to the space shuttle. The Committee directs the Air Force to begin closing one Titan IV launch pad on the east coast during fiscal year 1995. Any savings accrued during fiscal year 1995 may be used to offset one-time closing costs.

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## LAUNCH DELAYS

A 1993 Air Force Space Command study of launch operations reported that the command does not have a standard definition as to what constitutes a launch delay or a good data collection process to determine the reasons for delays. Despite these criticisms, the study identified delays through discussions with launch personnel. The general results were that hardware related problems accounted for 76 percent; launch facility and range problems, 12 percent; and weather and previous delays, 12 percent. Although launch delays seem to be of primary interest to DOD, the General Accounting Office was not able to determine if delays at U.S. facilities are excessive because of the lack of criteria. In fact, the GAO found that several contractor and military personnel involved with space launches were of the opinion that the delays were not a concern.

Launch responsiveness is the time required between launches, including delays for such things as pad repair, payload processing, and vehicle assembly. Some DOD representatives say that the current average of 60 to 90 days is too long. However, some commercial representatives believe the response time is about what is expected industry-wide. The different opinions may be because DOD wants a launch-on-need capability whereas industry is satisfied with launch-on-schedule. The CINC, U.S. Space Command, has stated that DOD needs a 7-day launch-on-need capability. Although a small vehicle (Taurus) is working towards that kind of response time for very light payloads, the GAO has found that virtually all DOD personnel questioned believe the goal is unrealistic for larger payloads, given today's budget constraints and the current launch complexes and vehicles.

An Air Force study estimated that response time could be reduced by as much as 30 days through actions such as:

- Standardized interfaces and non-dedicated vehicles. Currently, DOD launch vehicles, except Delta IIs, are customized and dedicated to specific payloads.

- Flight ready vehicles and payloads. Some vehicles and payloads are not flight ready when delivered to the launch facility, requiring modification at the pad.

- Integrate-transfer-launch. All payload processing and vehicle integration is done off the pad and the assembled vehicle is transferred to the pad for launch. A large negative aspect is major changes to space launch complexes would be required at significant cost.

-Reduced testing at the pads. Currently, each payload is virtually 100 percent tested twice at the pad.

By February 1, 1995, the Secretary of Defense is requested to provide a determination as to the military requirement for a launch-on-need policy and an assessment of any significantly adverse impact that current launch delays have on U.S. military or intelligence capabilities.

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## LAUNCH INFRASTRUCTURE

The General Accounting Office estimates the total Space Launch Infrastructure Investment Program (SLIIP) costs during the 1990's to be about \$2.2 billion, with 40 percent unfunded. The \$2.2 billion is allocated to: range standardization and automation; launch base infrastructure fixes; vehicle safety and reliability enhancements; and launch facilities.

In 1994, DOD provided the Congress a report which was essentially an update of the SLIIP, but it omitted all unfunded and certain vehicle modification costs that were part of the SLIIP. Both are shown below.

### SLIIP

[Dollars in millions]

	1990-93	1994	1995	Fiscal year- 1996	1997	1998	1999	Total
Required	\$421	\$442	\$345	\$331	\$278	\$215	\$213	\$2,245
Unfunded	62	93	120	192	139	121	161	888
1994 update	284	169	177	145	128	114	52	1,069

The GAO also found that the Eastern and Western Ranges, including associated systems, will be capable of meeting DOD and national launch requirements. Moreover, projections are that DOD launch rates will decline, medium-lift commercial rates will remain stable, and small-lift commercial rates are still uncertain. Considering projected launch rates, spending large sums on facility improvements may not be justified. Only critical repair and maintenance may be warranted.

DOD maintains two range stations in the Atlantic (on Antigua and Ascension) to support Kennedy Space Center and Cape Canaveral and one range station in the Pacific (Kwajalein) to support Vandenberg. The two Atlantic stations are used to receive telemetry during space launches and to assist in Trident ICBM tests. The Pacific station is used to assist in Minuteman and Peacekeeper ICBM tests. There are no remote range stations supporting Vandenberg space launches. Instead, telemetry from space launches out of Vandenberg is received via an electronically equipped aircraft.

Range stations are highly labor intensive and expensive to operate, which is one aspect the Range Standardization and Automation program is supposed to improve. However, it is not apparent why two range stations are required for the East Coast operations when one suffices for the West Coast. The GAO has reported that Ascension does not have destruct capability for space launches. Its role in space launches is relatively minor, with its main role as a target monitor for Navy Trident tests.

It is also not apparent why an ICBM launch test facility is required on each coast. Navy Tridents could be tested from Vandenberg using Kwajalein instead of Ascension. When a missile located on an Atlantic-based submarine is selected, it could be transported via the submarine, or another ship, to the West Coast, like Pacific-based missiles are transported to the East Coast.

Preliminary indications are that at least one of the Atlantic stations may be unnecessary, if the two ICBM facilities could be consolidated and located at Vandenberg. Vandenberg is the likely candidate for the consolidated operation since it is currently underutilized-about one launch per month as opposed to about 3 launches per month at Kennedy/Cape Canaveral.

No later than February 1, 1995, the Secretary of Defense is requested to report to the Committee the feasibility of closing one of the Atlantic stations supporting the Eastern Range, as well as the feasibility of consolidating all ICBM testing in the Pacific.

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#### SUPPORT TO COMMERCIAL SPACE LAUNCH INDUSTRY

Under the Commercial Space Launch Act, as amended (49 U.S.C. 2601), the U.S. national policy is to facilitate and encourage the commercial launch industry. The Act requires that the amount to be paid to the United States for use of government property, such as for launch services, shall be actual costs that can be unambiguously associated with a commercial launch effort, and would not be borne by the United States Government in the absence of the commercial launch effort. This represents incremental costs above what DOD would normally incur for a space launch.

The General Accounting Office has advised the Committee of an inconsistent practice in the way the Air Force charges commercial users of national launch facilities at Cape Canaveral and Vandenberg. The Secretary of Defense is directed to provide for uniform and standardized commercial charges and recoup all incremental charges.

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#### COMPETITIVE COMMERCIAL LAUNCHES

According to a recent investigation by the General Accounting Office, price and launch dates are considerations when commercial satellite manufacturers choose a launch facility. These factors, however, have not been major concerns with U.S. launches. Nor has the threat of military preemption been a concern, because it never happens. The GAO also found that:

-U.S. launch manufacturer marketing and pricing policies are the main reasons U.S. commercial payloads have been going to Ariane. Ariane is considered to be a better and more forceful marketer than U.S. launch companies. For example, the GAO found that Ariane will launch a payload equal in weight to Atlas's maximum capability for the same price, but charge only for the payload's actual weight in kilograms at the time of launch. Thus, a payload weighing less than Atlas's maximum capability, but too heavy for a smaller launch vehicle, will cost less on an Ariane because Atlas charges basically the same per launch regardless of weight.

-Launch reliability is the second most important consideration when choosing a launcher. For example, the GAO found that one manufacturer chose Ariane for its launch needs because Ariane had already completed a number of successful launches. Delta was too small and Atlas was just getting its system established. Therefore, Ariane was chosen on the basis of reliability, not price, although Ariane was slightly cheaper as well. The manufacturer said it would likely choose Atlas for its next set of launches.

The GAO found that, although the U.S. has seen a decrease in its share of commercial launches, the decrease has been mainly due to an increase in the number of foreign payloads, not to a decrease in the number of commercial launches from U.S. facilities. Commercial launches (including NASA) from U.S. facilities averaged over 12 per year since 1977, the year before Ariane began, and until the Challenger explosion in 1986. During 1990 to 1992, after recovery from Challenger, the average was 11.

The following table reflects and displays these trends. It should be noted that the biggest single loss of commercial launches by U.S. facilities appears to be the European Space Agency (ESA) satellites, which may have been because of political rather than economic reasons.

#### COMPARISON: U.S. VERSUS ARIANE LAUNCHES (1977-92)

77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92

From U.S.:

Commercial <sup>1</sup>	14	21	9	5	12	11	14	17	13	4	2	3	5	12	10	12
(ESA)	(5)	(2)	(1)					(1)								(1)

From Ariane:

Commercial <sup>1</sup>	0	0	2	2	4	2	3	5	9	5	3	13	10	16	15	13
(ESA)			(2)	(2)	(3)	(1)		(2)	(2)		(1)	(2)	(3)	(1)	(7)	(3)

<sup>1</sup>Commercial launches are all non-DOD launches such as NASA, NOAA, U.S. commercial, and foreign.

Despite the trend away from using U.S. launch vehicles, the commercial situation may be improving for U.S. launch facilities. Several factors, according to the GAO, may lead to a natural increase in the U.S. share of commercial launches. For example:

- Ariane is booked through mid-1997, which is further out than most commercial manufacturers want to go when obtaining a launch date.

- Atlas II has had several successful launches in recent years.

- Ariane's launch failure in February has raised concern about its reliability advantage over Atlas, and it is already technically less reliable than Delta. In fact, one U.S. satellite manufacturer switched its commercial satellite from Ariane to Atlas shortly after the Ariane failure.

- There is an increase in commercial launch activity at U.S. facilities. For example, one U.S. manufacturer of small launch vehicles has refurbished an unused building at Vandenberg Air Force Base to assemble its launch vehicle. Another manufacturer has begun refurbishing SLC-6 at Vandenberg to launch a new series of light to medium weight vehicles. Both companies are also planning operations at the Cape.

In light of the GAO findings, the Committee believes that there is currently no requirement for DOD to finance any launch vehicle or facility improvements solely to improve U.S. commercial competitiveness.

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#### SATELLITES EARLY WARNING SATELLITE PROGRAMS

For the past several years, the Department of Defense has been in the midst of initiating a new architecture for infra-red satellites capable of providing early warning of ballistic missile launches. With the lessons that have been learned from the Persian Gulf war, implementing this new architecture has become a high priority of U.S. military commanders-in-chief. As addressed below, the Committee recommends the following amounts for early warning satellite programs:

[In millions of dollars]

Request	Committee
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Brilliant Eyes:

RDT&E, Defense (BMDO)	\$120.0	0
RDT&E, Defense (Air Force)	0	120.0

DSP 23 Procurement:

Msl Proc, AF (Air Force)	364.0	0
Proc, Defense (Air Force)	0	364.0
DSP 24 Procurement	0	0

#### ALARM:

RDT&E, AF (Air Force)	150.0	330.0
Total	634.0	814.0

ALARM Program Acceleration. The fiscal year 1995 budget includes \$150 million to begin development of the ALARM satellite. The Committee is convinced that acceleration of the ALARM program is critical to the national security of the United States. The Air Force has indicated that there are no technical or programmatic risks to accelerating the program. As a result, a total of \$330,000,000, an increase of \$180,000,000, has been provided to enable the Air Force to accelerate the first launch. Because of the national importance of this program, the Secretary of Defense is directed to: (1) ensure that the program is fully funded in the outyears, (2) complete the Engineering and Manufacturing Development (EMD) contract down-select by March 31, 1996, and (3) work toward an ALARM first launch capability of no later than the year 2000.

ALARM Technology Demonstration Program. Included in the ALARM request is \$30 million to begin a separate technology demonstration which is ultimately projected to cost over \$150 million, has not been justified as producing information required to proceed with the ALARM program, and would not produce information in time to influence design of the ALARM payload. The Committee, therefore, explicitly directs that no funds are available for the technology demonstration program as originally proposed. However, the Air Force may conduct any technology demonstrations specifically necessary to support design of the first ALARM satellite. Without the prior approval of the Congressional defense committees, such demonstrations may either be conducted on an airborne platform or, if conducted in space, may only be performed as a part of an already planned infra-red payload such as the BMDO Miniature Sensor Technology Integration (MSTI) program.

Defense Support Program. The Air Force requested a total of \$364.0 million to continue procurement of DSP satellite 23. The Committee has provided the full amount.

No funds were requested for continued acquisition of DSP 24. The Committee agrees with the DOD proposal to discontinue development of this specific satellite. No funds are included in this bill and no funds are available without the specific prior approval of the Committee.

As discussed elsewhere in this report, the Air Force is directed to begin configuring DSP satellites 21, 22, and 23 for launch on the shuttle.

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#### TACTICAL SUPPORT SATELLITE

The Advanced Research Projects Agency (ARPA) began development of the Tactical Support Satellite (TSS) in fiscal year 1994. The Committee fully supports this effort and has provided a total of \$70.0 million in RDT&E, Defense-wide-\$40.0 million under Advanced Spacecraft Technology for the Phillips Laboratory and \$30.0 million under Experimental Evaluation of Major Innovative Technologies (EEMIT) for ARPA. The Committee stipulates that the entire \$70.0 million is under the management control of ARPA for project execution.

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#### METEOROLOGICAL SATELLITE PROGRAMS

DOD, the National Oceanographic and Atmospheric Administration (NOAA), and the National Aeronautic and Space Administration (NASA) recently completed a tri-agency convergence study and implementation plan for polar orbiting weather satellites. This study recommended:



- A single 3-satellite constellation, with an objective of 2 U.S. and 1 European satellites;
- Plans to leverage off NASA research mission EOS-PM to the greatest extent possible, but not as an "operational" satellite;
- Program synchronization for DOD and NOAA follow-on programs, DMSP Block 6 and NOAA satellites O, P and Q, respectively;
- An integrated program office with participation from all three services; and
- NOAA lead in satellite operations, DOD lead in satellite acquisition, NASA lead in advance satellite technology transition.

Based upon the less than stellar history of jointly funded programs, the Committee believes that DOD should make every effort to prevent the migration of any of the civilian agency costs into the DOD budget.

Last year, the Committee directed that DOD transfer two DMSP satellites to NOAA to synchronize the transition to an integrated program. The committee made this recommendation based upon the current projection that NOAA has only 6 satellites remaining to be launched, but DOD currently has 9 DMSP satellites remaining to be launched. In view of the recent Presidentially-approved, tri-service Implementation Plan for a Converged Polar-Orbited Environmental Satellite System, the General Accounting Office is requested to comment not later than February 1, 1995 on the feasibility and cost-effectiveness of the proposed transfer.

All DOD costs incurred for environmental satellite programs will be in accordance with the Implementation Plan. To the extent that NASA conducts a separate study on the convergence of its Earth Observing System altimetry mission with the Navy Geosat follow-on program, the Navy or any other DOD agency is expressly prohibited from participating in such a study unless reimbursement is provided by NASA for the full incremental costs incurred.

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#### CLEMENTINE

The Committee believes that management of the Clementine I project should remain at the existing facilities as management responsibility shifts from the Ballistic Missile Defense Program to the military services. If the Department proposes to continue the Clementine program by using different DOD facilities to manage the program, the existing facilities should be permitted to compete for the opportunity to continue managing the program. However, no funds were requested by DOD for additional Clementine satellites and no funds have been provided.

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#### LANDSAT

Last year the Committee made permanent a general provision permitting DOD to procure the LANDSAT 7 satellite. However, DOD and NASA recently reached an agreement whereby responsibility for all aspects of the LANDSAT program will be transferred to NASA. Consequently, the Committee has included Section 8051 repealing DOD's LANDSAT procurement authority.

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#### AIR FORCE SATELLITE CONTROL NETWORK

The January 1994 roles and missions study of the U.S. Space Command identified the potential for consolidating the Air Force and Navy satellite control networks. However, while the U.S. Space Command is performing a more detailed study to determine the most efficient and cost effective solution, the Air Force is planning a costly incremental upgrade to its network.

The Air Force Satellite Control Network (AFSCN) performs tracking, telemetry, and command functions for 84 satellites. Operations are manually intensive, requiring a large number of highly skilled personnel, and are therefore costly. The GAO has reported to the Committee that the AFSCN centralized computer system is limited in data processing capacity, resulting in an inability to handle planning and real-time operations data simultaneously. The computer system also lacks standardization and interoperability across several satellite systems.

Despite estimates that a new system could be developed for \$1 billion, the Air Force plans to spend \$1.5 billion over the next five years to upgrade and modify the current system. In addition, U.S. Space Command does not plan to develop an architecture for satellite control as the Joint Chiefs of Staff tasked it to do. According to the GAO, the reason is because of its present inability to implement an architecture for Cheyenne Mountain Upgrades.

In comparison, the Navy Satellite Control Network (NSCN) is a more modern design-a full generation ahead according to one Air Force expert-than AFSCN, but its use will substantially decline by 1997 because the TRANSIT navigational satellite is scheduled to be phased out, and only the GFO satellite is scheduled to be added.

For fiscal year 1995, the Air Force requested a total of \$283,857,000 in P.E. 35110F for improvement and modernization of the AFSCN. The request consisted of \$101,146,000 for RDT&E, \$25,810,000 for Other Procurement, \$144,719,000 for O&M, and \$12,182,000 for Military Personnel. Of this request, the Committee recommends deleting \$256,675,000 until (1) the U.S. Space Command completes its study and provides an architecture, implementation plan, and milestones for achieving consolidation and (2) the Air Force performs a cost and operational effectiveness analysis of alternatives to the existing network that includes a new acquisition using advanced technologies, the Navy's architecture, and a long-term incremental upgrade approach. The Committee also directs the Secretary of Defense to consolidate Air Force and Navy satellite control capabilities and strive toward satellite control convergence with national and civil agencies.

The GAO reports that there is also a potential for performing more cost-effectively the space surveillance mission to detect, track, identify, and catalog all man-made objects in earth orbit. The U.S. Space Command is analyzing requirements and capabilities of existing Air Force, Navy, and Army sensors to perform the mission. The overall goal of the study is unclear. The Committee directs the Secretary of Defense to ensure that the study assesses the most cost effective ways of performing the mission.

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COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE  
TACTICAL INTELLIGENCE AND RELATED ACTIVITIES

The Department of Defense Tactical Intelligence and Related Activities (TIARA) encompass a diverse array of reconnaissance, surveillance and target acquisition programs which are primarily a functional part of the basic military force structure, and provide direct information support to combat operations. TIARA includes those activities outside the General Defense Intelligence Program which respond to operational command tasking for time-sensitive information as well as to national command, control, communications, and intelligence requirements.

Explanations of the Committee's specific recommendations for TIARA programs appear in the appropriate sections of this report or in the classified report which accompanies it. The funding provided for TIARA will fully support these activities in the forthcoming year.

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SINCGARS

The fiscal year 1995 budget requested \$367.4 million in Other Procurement, Army for various SINCGARS radios. The Army plans to spend \$270.6 million for 21,636 sets of SINCGARS ground radio hardware in fiscal year 1994, an average estimated cost per unit of \$12,507. The Army held a competition between the 2 producers of these radios to apportion the ground radio production between them based on price, quality, and other factors. One firm won about 54 percent of the fiscal year 1994 award and the other firm won the remaining 46 percent. The average unit price for both contractors came to \$8,800. The unit costs for product improvement and other equipment amounted to approximately \$1,910, bringing the total fiscal year 1994 unit price to \$10,710 for SINCGARS hardware. The total quantity purchased on these contracts was 23,293 radios, including 300 initial spares. At an average unit price of \$10,710 the total fiscal year 1994 cost for all radio sets amounts to \$249.5 million, a reduction of \$21.1 million from the \$270.6 million budgeted. The 22,293 radio sets purchased for equipping troops exceeded the quantity budgeted for that purpose by 1,357 units.

In the fiscal year 1995 budget the Army estimated a total cost of \$285.3 million for 21,313 ground radios and associated equipment, an average unit cost of \$13,386. The amount budgeted for fiscal year 1995 may be reduced based on the following factors:

-The Army's fiscal year 1995 requirement of 21,313 radios can be reduced by the 1,357 purchases that exceeded the budgeted quantities for fiscal year 1994. At the Army's fiscal year 1995 unit price estimate of \$13,386, the fiscal year 1995 requirement would be approximately \$18.2 million less for the already procured 1,357 units.

-Aggressive competition between the two firms is expected to continue in fiscal year 1995. A reasonable unit price estimate for this year would be the average fiscal year 1994 contract price plus the DoD prescribed inflation factor of 2.8 percent, producing an average price of \$11,010-\$2,376 less than the Army's estimate. The adjusted fiscal year 1995 requirement of 19,956 radios (21,313 budgeted less 1,357 purchased in fiscal year 1994) times the reduction in the unit price of \$2,376 would yield a further savings of \$47.4 million.

It is recommended, therefore, that the fiscal year 1995 SINCGARS budget request be reduced by a total of \$65.6 million.

The Committee is pleased with the progress made in both value and quality within the SINCGARS program driven by the Army's dual source acquisition strategy. As such, the Committee fully supports the continued use of the dual source acquisition approach for this system until such time as the quantity no longer merits this method.

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#### COMMERCIAL COMMUNICATIONS INITIATIVE

Last year the Committee provided \$20 million for the Defense Information Systems Agency (DISA) to continue its comprehensive review of the feasibility of using commercially available satellites and terminals to support DOD communications requirements. Based upon the favorable results, the Committee has provided \$10 million to continue this effort.

The Department should begin a demonstration project to begin testing how these civilian technologies can be used to satisfy existing or projected military communications requirements. The Committee directs that \$5 million of the \$10 million is to be used for a demonstration project to support disaster relief and military contingency requirements. The Office of the Manager of National Communications Systems, in conjunction with the Air National Guard, shall acquire not less than four complete sets-from at least two competing vendors-of commercially available transportable satellite earth terminals and supporting telecommunications equipment, including leasing of required commercial transponders time. The Air National Guard is directed to begin operational use of this equipment to document its utility in responding to national disasters and military contingencies.

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#### AN/PSC-7 UHF SATCOM RADIO

The Committee has been advised of a requirement to modify existing Army and special operations AN/PSC-7 radios with embedded COMSEC and Demand Assigned Multiple Access (DAMA) capabilities in order to meet JCS-established standards. The Army is directed to report to the Committee by March 15, 1995, on its plans to meet this requirement.

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#### COMMUNICATION-ELECTRONIC MODIFICATIONS

Historically, eleven electronic modifications are included under this line item. A total of \$18.9 million is requested in Other Procurement, Air Force in fiscal year 1995 for six modifications, with the other five receiving funding in prior years.

The MPN 14K Landing Control modification is substantially complete. Prior year funds of \$1,175,000 are not needed to complete this modification because the work has cost less than anticipated. To date over \$400,000 of fiscal year 1993 funds were reprogrammed from this line, and it is anticipated that \$750,000 of fiscal year 1994 funds will be excess to the requirement. The fiscal year 1995 appropriation is, therefore, reduced by that amount to reflect the excess funds that will be carried over and available to satisfy the fiscal year 1995 requirement.

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#### THEATER BATTLE MANAGEMENT C2 SYSTEM

The Theater Battle Management C2 System program requested \$45.5 million in Other Procurement, Air Force to acquire state-of-the-art equipment for worldwide command and control functions. Part of the fiscal year 1995 C2 System budget request is for \$13.1 million to procure four communication suites. Additional software requirements have now been added to the prototyping phase causing the expected procurement and associated funding to be delayed from fiscal year 1995 to fiscal year 1996. The excess \$13.1 million is, therefore, deleted from the fiscal year 1995 budget request for the C2 System.

### COMMANDER'S TACTICAL TERMINAL

The Committee is concerned that the Army's plan for fielding the Commander's Tactical Terminal (CTT) does not ensure that the tactical units have the most capable intelligence communication capabilities. Current plans stretch CTT delivery into the next century. The CTT's capabilities were fully demonstrated during the Gulf War and are currently being utilized in several conflict areas with substantial results. Furthermore, CTT is an early integral part of the Army's high priority effort to digitize the battlefield. The Committee directs that the Secretary of the Army present a fully funded accelerated acquisition plan to the House and Senate Appropriations Committees within 120 days of enactment of the fiscal year 1995 Department of Defense Appropriation Act that will: (1) substantially reduce fielding time; (2) ensure that all Army and joint requirements are incorporated into the integrated acquisition plan and (3) that the plan be the most cost efficient to include eliminating ongoing duplicative efforts.

### WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM

The Air Force requested \$12.6 million in Other Procurement, Air Force in fiscal year 1995 for the WWMCCS program. This line item includes automated data processing equipment for four command and control programs. One of the four programs is for the Air Force Command and Control System (AFC2S) Hardware. According to Air Force officials, AFC2S hardware is required to support software at 13 sites and 105 remote sites.

The fiscal year 1995 budget includes a request of \$4.189 million for AFC2S. However, after the budget was sent to the Congress, the Air Force canceled the program on April 29, 1994, because they considered it to be unexecutable. Accordingly, the fiscal year 1995 budget request for this line item is reduced by \$4.189 million. In addition excess fiscal year 1993 funds of \$746,000 are designated as an item of congressional interest and cannot be reprogrammed without prior congressional approval.

### ANTI-JAM VOICE

The fiscal year 1995 budget request shows that the Air Force planned to use Other Procurement, Air Force funds to buy 714 SINCGARS-V radios using fiscal years 1994 and 1995 funds at a combined cost of \$10.304 million. With the fiscal year 1994 funds, the Air Force planned to buy 696 radios for \$9.914 million, or \$14,244 per radio. It planned to buy another 18 radios with the fiscal year 1995 funds for \$390,000, or \$21,667 per radio. However, the Air Force obtained better prices than originally estimated.

After the budget was submitted to the Congress, the Air Force purchased 485 radios in April 1994 for \$5.816 million at a unit cost of \$11,992. The Air Force now expects to buy an additional 222 radios in July 1994 for \$2.662 million at a unit cost of \$11,992. Air Force officials stated this action will buy out its SINCGARS requirement.

Because the Air Force is buying out its SINCGARS requirement in fiscal year 1994, the fiscal year 1995 budget request of \$390,000 is not needed and has been deleted. Also, \$1.436 million of the fiscal year 1994 funds are designated an item of congressional interest and cannot be reprogrammed without prior congressional approval. This represents the difference between the \$9.914 million appropriated to the Air Force in fiscal year 1994 funds and the \$8.478 million which they now expect to expend using current contract prices for the April and July 1994 buys.

### RADIO EQUIPMENT

In fiscal year 1995, the Air Force has requested \$19,618,000 in Other Procurement, Air Force, for Radio Equipment. This program is more commonly called Scope Command, and provides resources to modernize the Air Force High Frequency radio communications systems at world-wide locations. Because this program supports communications for the President, the military commanders-in-Chief and other high priority users, the Committee included language in last year's report expressing concern that the Air Force was inadequately supporting modernization of the Scope Command network.

The Committee is encouraged that the Air Force has requested funds for this important effort and has provided the full \$19,618,000 being requested. These funds are also being designated an item of specific congressional interest and may not be used for any other purpose without specific Committee approval.

### DEFENSE METEOROLOGICAL SATELLITE PROGRAM (DMSP) TERMINALS

The Air Force requested a total of \$16.1 million in Other Procurement, Air Force in fiscal year 1995 for DMSP, a part of which includes the Mark IV terminal upgrade. The Air Force intended to buy with fiscal year 1994 funds seven MARK IV upgrades at a unit cost of \$1.357 million each. They now plan to buy seven of a less costly upgrade at \$1.2 million each. This reduces the total cost for fiscal year 1994 from \$9.5 million to \$8.4 million. The \$1.1 million in remaining fiscal year 1994 funds has been offset by an equal reduction from the fiscal year 1995 budget request.

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#### HAVE GAZE

The Committee has provided an increase of \$8,000,000 in RDT&E, Air Force to continue development of the HAVE GAZE program.

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#### DEFENSE AIRBORNE RECONNAISSANCE PROGRAM

Management. The Committee is encouraged by DOD's efforts to coordinate the development and fielding of tactical airborne reconnaissance systems by establishing the Defense Airborne Reconnaissance Office (DARO). However, the criteria used for determining which airborne reconnaissance systems should be managed by the DARO vice the services is unclear. The Committee believes that the development and fielding for all "joint" tactical reconnaissance systems should be under the direct management of the DARO. Therefore, the Committee directs that all funds for GUARDRAIL and Air Reconnaissance Low (ARL) aircraft are transferred to the Defense Airborne Reconnaissance Program (DARP). Furthermore, the Committee directs that the funds be maintained in their respective service accounts.

The Committee understands that the DARO is a new organization and going through growing pains; however, the management of DARP resources appears to be ad hoc. The Committee believes that the DARO has not adequately articulated its goals, objectives and priorities. DARO strategy does not focus on the capabilities and funding of existing sensors and platforms. The Committee is uncomfortable that programs funded in fiscal year 1994 were terminated without coordination with the Central Imagery Office and the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASDC3I) or notification to the Congress. The Committee directs that the DARO submit by August 1, 1994, the justification and impact of all fiscal year 1994 initiatives that were terminated by the DARO. The Committee directs DARP projects may not be terminated without the written approval of the ASDC3I. The Committee notes that some of the cancelled initiatives were items of Congressional interest.

The Committee is extremely frustrated at the DARO's inability to provide detailed budget information. Therefore, the Committee directs the DARO to provide a detailed break out of platforms, sensors, ground processing systems and datalinks funded in the fiscal year 1995 submission by August 1, 1994.

The Committee intends to continue vigorous oversight over the DARP budget. One of the chief concerns is the DARO's ability to transfer funds between the various DARP projects. To ensure that the movement of funds between DARP projects is in accordance with Congressional intent, the DARO is directed to obtain prior written approval of the Committee on Appropriations of the House and Senate for all transfers exceeding \$2,000,000. This restriction also applies to all program and project terminations.

Air Reconnaissance Low (ARL): As stated earlier, the Committee directs that all funds are transferred to the DARO. In fiscal year 1991, Congress directed DOD to procure nine ARL aircraft. It is the Committee's understanding that funds are programmed to procure only six aircraft. The Committee directs the DARO to submit with the fiscal year 1996 budget submission an acquisition and implementation plan for the nine ARL aircraft.

Last year the Congress endorsed a plan for a Unified SIGINT system. It is the Committee's understanding that the SIGINT system for the ARL platform is unique and is not integrated with the DOD plan. The Committee directs that no funds may be obligated for the integration of a SIGINT system on the ARL platform until the DARO submits a cost/benefit analysis of the planned system for ARL and rationale for using a service unique vice DOD system.

Moving Target Indicator (MTI). CINC U.S. Forces Korea has a requirement for daily Indications and Warning (I&W) coverage. Currently, I&W coverage, is provided by the MOHAWK aircraft. As mandated by Congress, the aging and expensive MOHAWK fleet will be retired by fiscal year 1996. The Army is complying with Congressional direction; however, the Army has not programmed funds for a replacement of the MOHAWK. DOD has requested funds for the Joint Surveillance Target Attack Radar System (JSTARS); however, JSTARS full production will not occur until after fiscal year 1998. Furthermore, JSTARS is a go-to-war system. JSTARS was not developed to provide daily tactical I&W.

The Committee is concerned that the readiness of U.S. Forces Korea will be hampered by the lack of a daily I&W capability. The Committee understands that there are three GUARDRAIL aircraft in Army inventory that could be integrated with an off-the-shelf MTI sensor. Ground processing and maintenance equipment for the GUARDRAIL platform is already in Korea. As addressed in the Korean Readiness Enhancement Account, the Committee recommends an increase of \$15,000,000 to the DARP to integrate an off-the-shelf MTI sensor on an existing platform. By August 1, 1994 the Committee directs that the DARO submit a plan for implementing a MTI capability in Korea for fiscal year 1995. This plan should include a cost and capability comparison of various platforms and sensors. The plan should also include ground processing requirements and maintenance costs.

Committee Funding Recommendations. DOD requested \$528,290,000 research, development, test and evaluation funds for the DARP. The Committee recommends \$609,290,000, an increase of \$81,000,000. The funds are only for the following programs: \$3,000,000 for the Remotely Operated Sensor System (ROSS), \$8,000,000 for Electro-Optical (E/O) framing sensor development, \$20,000,000 for the Medium Altitude Endurance Unmanned Aerial Vehicle (Tier II), and \$50,000,000 for the Low Observable-High Altitude Endurance Unmanned Aerial Vehicle (Tier III Minus) Details for each program follow.

- The Remotely Operated Sensor System (ROSS) will provide close range target detection, battle damage assessment of obscure fixed targets, and the acquisition of moving targets.

- The Committee recognizes the need for tactical imagery and fully supports the DARO's \$7,000,000 budget request for the continued development of E/O framing sensors. The Committee recommends an increase of \$8,000,000 to accelerate the development of an E/O framing sensor with on-chip image-motion compensation and infrared/multispectral capabilities.

- The Committee endorses Advanced Concepts Technology Demonstrations (ACTD) for Unmanned Aerial Vehicles (UAV). The Committee fully supports the Medium Altitude Endurance UAV (Tier II) and recommends an increase of \$20,000,000 to the program only for delivery, demonstration, employment and operations experimentation of ten additional ACTD Tier II vehicles and two ground control stations. The UAV's shall have a mix of off-the-shelf signals intelligence (SIGINT) and laser ranger-designator adjuncts to the E/O-IR sensors and shall be made ready for deployment and operations experimentation in 1995-1996.

- Despite DOD's commitment to the Low Observable-High Altitude Endurance UAV (TIER III Minus) program, the program was not fully funded in the fiscal year 1995 request. Therefore, the Committee recommends an increase of \$50,000,000 for Tier III Minus program. Furthermore, the Committee directs that no funds may be awarded for the High Altitude Endurance UAV (Tier II Plus) until the Tier III Minus contract is awarded.

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#### DIGITAL TOPOGRAPHIC SUPPORT SYSTEM

The Department of Defense requested \$12,835,000 for the Digital Topographic Support System (DTSS). The Committee recommends that no funds are appropriated in fiscal year 1995 for DTSS. DTSS was to be integrated on the Army's five ton truck; however, the Committee has learned that future systems will be downscaled and integrated on the HMMWV. The Army is also investigating the possibility of combining the downscaled DTSS with the QRMP. It is the Committee's understanding that the Army is currently reevaluating the program and will make a decision later this summer. Because the Army is restructuring the program, less than half of the fiscal year 1994 appropriated dollars have been obligated. Therefore, the Committee directs that the Army submit by September 1, 1994 a detailed acquisition plan, schedule, and budget for DTSS.

## COMMON HARDWARE AND SOFTWARE

Last year the Committee was concerned that the transition from Common Hardware and Software (CHS) I to CHS II would not be timely and transparent. The Committee continues to monitor the progress of the fielding of CHS and still believes that it is premature to field CHS II hardware prior to completing all required pre-production testing and evaluation. Because the CHS I contract will expire prior to the completion of all CHS II qualification tests, a serious break in production will occur. Therefore, the Committee directs the Army to examine the possibility of extending the CHS I contract in order to minimize fielding interruptions and the final certification of CHS II.

## ARMY ALL SOURCE ANALYSIS SYSTEM

The Army requested \$42,891,000 for the All Source Analysis System (ASAS). The Committee recommends \$35,891,000, a reduction of \$7,000,000. The Committee directs that \$3,000,000 be used only for continuing the upgrade of the communications and intelligence analysis capabilities of the Army's existing Single Source Processor and continuing the development of a light weight portable equivalent for support of contingency operations and Low Intensity Conflict activities.

## INTEGRATED METEOROLOGICAL SYSTEM

The Army requested \$7,004,000 for the Integrated Meteorological System (IMETS). The Committee recommends \$5,000,000, a decrease of \$2,004,000. IMETS interoperates with the Army Tactical Command and Control (DTSS) System (ATCCS) and the Digital Topographic Support System. ATCCS has not been fielded and DTSS production has been delayed, therefore the Committee believes that IMETS procurement can be stretched out.

## INTELLIGENCE ENGINEERING

The Navy requested \$4,033,000 for Intelligence Engineering. The Committee recommends that no funds be made available in fiscal year 1995. Details are addressed in the classified report which accompanies this report.

## INTEGRATED SURVEILLANCE SYSTEM

The Navy requested \$28,805,000 for the Integrated Surveillance System. The Committee recommends \$43,605,000, an increase of \$14,800,000. Of this amount, \$8,000,000 is only for the continued development of the Passive Automation and Low Frequency Active sub-system, and \$6,800,000 is only for Fiber Optic Acoustic Sensor Technology. Furthermore, the Committee has learned that the Navy SURTASS program is not using the Navy Standard Signal Processor (AN/UYS-2) for the bi-static active capability. By not using AN/UYS-2, the Navy is thwarting a principal objective of the standard signal processing program. Therefore, the Committee directs that no funds may be spent to develop a bi-static active capability in the SURTASS program unless the acoustic signal processing for this capability is hosted by the AN/UYS-2.

The Committee understands that the AN/UYS-2 is being integrated into multiple programs. The Navy should optimize this asset through further development and use of a standard application code. The SQQ-89 combat system the Airborne Low Frequency Sonar and the SURTASS share a common need to develop bi-static and active capabilities. These three systems are all equipped with the AN/UYS-2. The Committee believes that bi-static active software applications developed for one program can be shared with all three systems to avoid costly duplicative development.

## MARINE CORPS TENCAP PROGRAMS

The Committee realized that there were funding shortfalls in the Marine Corps TENCAP programs and provided additional funds in fiscal year 1994. The Committee notes that the Marine Corps does not sustain the program in the fiscal year 1995 submission. The Committee directs the Marine Corps to submit by August 1, 1994 the amount of fiscal year 1994 funds obligated to date and detailed description of fiscal year 1995 budgeted initiatives.

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#### AIR FORCE TENCAP PROGRAMS

The Air Force has requested \$21,183,000 for Air Force TENCAP programs. The Committee recommends \$13,402,000, a decrease of \$7,781,000. The Committee notes that the Air Force TENCAP program has and continues to increase substantially since fiscal year 1994. The Committee directs the Department of the Air Force to submit a detailed plan for the fiscal year 1995 request by August 1, 1994.

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#### COBRA DANE

DOD did not request funding for COBRA DANE radar operations. Data collected by COBRA DANE is of importance to the Arms Control Disarmament Agency (ACDA). Subsequently, the Committee has learned that DOD will not terminate COBRA DANE operations before the end of fiscal year 1995 and is identifying funds to continue the program. The Committee requests that the Secretary of Defense submit, no later than August 1, 1994, the sources used to fund COBRA DANE.

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#### STU III CONVERSION PROGRAM

The Committee applauds the coordinated efforts of NSA, the Services, and the Office of the Assistant Secretary of Defense for C3I that have led to an executable plan for implementing secure communications throughout DOD. The Services have budgeted for STE equipment; however, the Committee notes that of the 320,000 STU III in use, 160,000 are older models with poor voice transmission, a slow 2.4 Kbps data rate, and on Secure Access Control System capability. It is the Committee's understanding that full production of STE equipment is at least 5 years away and wide scale distribution will be after the turn of the century. The Committee recommends an increase of \$4,000,000 only for a short term upgrade of 2.4 STU III units. The additional funds are provided to the service operations and maintenance accounts. Funds are allocated as follows: \$2,000,000, Army; \$1,000,000, Navy; and \$1,000,000, Air Force.

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#### INTELLIGENCE SUPPORT FOR DRUG INTERDICTION

The Committee recognizes the importance and functions of the El Paso Intelligence Center (EPIC) of the Drug Enforcement Administration and does not intend for any DOD program to duplicate or conflict with EPIC in any way.

#### INFORMATION TECHNOLOGY SYSTEMS

The Defense Department requested a total of \$9,782,249,000 for information technology systems. The Committee recommends \$9,519,568,000, a reduction of \$262,681,000. The table below provides the Committee's specific recommendations:

[In thousands of dollars]

Item	Amount
Operation and Maintenance, Army:	
Sustaining Base Information System	-23,899
Standard Theater Army C2 System, 1994 level due to fiscal constraints	-14,399



Military Entrance Processing Command Integrated Resource System, 1994 level	
due to utilization of SBIS contract	-5,675
Personnel Enterprise System, 1994 level and defer new start for records management system	-4,966
General reduction, per House Armed Services Committee	-89,804
Keyboard Proficiency	+5,000
Total	-133,743
Operation and Maintenance, Army Reserve:	
Personnel Electronic Records Management System	-3,000
General reduction, other than RCAS	-7,000
Total	-10,000
Operation and Maintenance, Army National Guard:	
Reserve Component Automation System	-3,000
Distance learning	+7,500
Total	+4,500
Other Procurement, Army:	
Information Systems, general reduction due to poor budget execution	-11,000
STAMIS Tactical Computers, general reduction due to poor budget execution	-21,850
ADP Equipment	-56,032
Sustaining Base Information System	(-35,254)
General reduction, poor budget execution	(-15,000)
Strategic Logistics System, TPN-DDN interfaces purchased by DISA instead of Army	-(2,800)
Personnel Electronic Records Management System	-(2,978)
Reserve, Component Automation System	+66,900
Total	-21,982
Operation and Maintenance, Navy:	
Electronic Military Personnel Records System	-11,229
Excessive budget growth	-36,000
General reduction, per House Armed Services Committee	-91,514
Keyboard proficiency	+5,000
Total	-133,743
Operation and Maintenance, Navy Reserve:	
Naval Reserve Information Technology Modernization	+3,000
Other Procurement, Navy:	
Computer Acquisition Program (EMPRS)	-31,800
Operation and Maintenance, Air Force:	
Local area network management, audit findings	-33,529
CAMS/REMIS	+5,000
TICARRS	+15,000
Automated Record Management System	-1,471
Keyboard proficiency	+5,000
Total	-10,000
Other Procurement, Air Force:	
Automatic Data Processing Equipment, AFC2S cancelled by the Air Force	-4,189
Operation and Maintenance, Defensewide:	
General reduction, per House Armed Services Committee	-50,000
DISA Sustaining Base Information System	-1,924
Transfer Ada Joint Project Office to RDT&E	-10,800
JEDMICS, revised DOD fielding plan	-13,500
Total	-76,224

Procurement, Defensewide:

JEDMICS, revised DOD fielding plan	-13,500
Naval Reserve Information Technology Modernization	+10,000
Automated Document Conversion	+30,000
Subtotal, Major Equipment OSD/WHs	+26,500
High Performance Computer Modernization, transfer from RDT&E	+130,000
Automated Information System Equipment, general reduction	
per House Armed Services Committee	-5,000
Total	+151,000
Grand Total	-262,681

## CORPORATE INFORMATION MANAGEMENT

The Committee commends the Department for the encouraging progress made in the area of information management and technology over the past year. The Secretary of Defense's direction to accelerate selection and implementation of migration systems, data standardization and business process improvement has been instrumental to Corporate Information Management progress. Such endorsement and direction by the Secretary of Defense is welcomed by this Committee. The leadership and actions undertaken by the Principal Staff Assistants to fulfill the Secretary's direction are commendable. Much remains to be done in this highly visible area.

Technical initiatives over the past year have shown great promise. The Committee is particularly pleased with the strong Departmental support provided for the Ada programming language and with related activities such as the Ada Dual-Use Program Plan. The emphasis on the acquisition of widely-used, commercial off-the-shelf (COTS) software is appropriate. Whenever COTS software is not available, the Department must improve its policy enforcement on the mandatory use of the Ada programming language for all new code to be written for new and modernized systems. The report on the Software Reuse Initiative is another major step for improving software quality concurrent with reducing costs. Other important technical initiatives include the Technical Architecture Framework for Information Management, the Software Process Assessment program, the use of Computer Assisted Software Engineering tools, information technology standards, software licenses and fee-for-service, to name a few. The Department should continue to place emphasis on these areas to achieve major improvements, economies and efficiencies in the overall use of information technology.

The goals of the Defense Information Infrastructure (DII) are laudable. The Department should continue to seek improvements in the efficiency and quality of the infrastructure where costs and benefits can be estimated with some confidence and indicate mission or economic improvements. The open and collaborative approach being taken by General Services Administration and the Department on FTS 2000 is refreshing. The Defense Information System Network (DISN) and the Defense Messaging System (DMS) must be carefully managed and security measures strongly endorsed. The advances made possible through Electronic Commerce and Electronic Data Interchange (EC/EDI), recently notable in the area of procurement, will require an accessible, flexible, cost-effective but secure DII. The Committee has long advocated reducing the cost of information services and it supports the Department's progress and plans in reducing the number of data processing installations via the megacenter concept as qualified in the General Provisions paragraph later in this section.

## GENERAL REDUCTIONS

The Committee has included some of the general reductions recommended by the House Armed Services Committee in the Operation and Maintenance section of its 1995 report. In those instances where such reductions are recommended, the Committee directs that savings be achieved through improved management in any area and not necessarily be limited to reductions only in information systems modernization. In addition, since approximately one third of the Defense Department's information technology budget is funded in the Defense Business Operations fund, DBOF programs should contribute a proportionately fair share when the Department applies these general reductions. The Committee does not agree to a general reduction to the Air Force since it is the only service whose budget declined significantly from fiscal year 1994 to 1995. The Committee does not agree to a general reduction of the

magnitude proposed by the House Armed Services Committee to the Defensewide account since many of the Department's initiatives to improve financial and business practices are funded in that account.

### KEYBOARD PROFICIENCY

A January 1994 Air Force audit makes the observation that there are over 288,000 personal computers in the Air Force alone, yet only personnel whose job description specifically requires keyboard training receive such training. The implication is that through simple training techniques applied to a broader population within the Services, a significant productivity gain might be achieved. The Committee recommends a total of \$15,000,000 in the three Service operation and maintenance accounts to provide such training to all employees who might need it.

### AUTOMATED DOCUMENT CONVERSION

The Committee is concerned with the proliferation of automatic document conversion systems in the Defense Department. In the personnel function alone, each Service has its own unique records management system underway at significant cost with little or no coordination with the other services: Army has the Personnel Electronics Management System for the Reserve Forces and the Personnel Enterprise System for the active Army, Navy has the Electronic Military Personnel Records Management System, and Air Force has the Automated Record Management System. This is a good example of where the Department's highly touted Corporate Information Management initiative is not working as well as it should, primarily because the functional proponent for personnel systems in the Office of the Secretary of Defense has apparently failed to act. The Committee recommends that the requests for funds for these systems be denied because they do not conform to section 8021 of the bill, which was also enacted into law last year and apparently had no effect on these uncoordinated and wasteful acquisitions. The Committee also finds it hard to believe that there is no alternative to the Navy other than sole-sourcing its EMPRS system which is large part based on commercial, off-the-shelf technology.

The Committee is gratified that the logistics community within the Office of the Secretary of Defense has endorsed the Congressionally directed Automated Document Conversion System and wishes to now integrate its technology into the Joint Engineering Data Management and Information Control System. DOD currently has hundreds of thousands of drawings and hybrid documents relating to weapon systems in its archives. There is a constant and current requirement to utilize many of these documents for weapon system upgrades as well as to develop new systems. Currently, before such documents can be utilized on computer aided design, many hours of human intervention are required after machine scanning of documents to put them into a "vector" format which then can be manipulated on a CAD system. Manual conversion costs hundreds of millions of dollars a year. The Automated Document Conversion System, which was initiated by the Committee in its fiscal year 1994 bill, directly addresses this problem by eliminating the need for further human intervention once documents are scanned. The Committee recommends an additional \$30,000,000 in the Procurement, Defensewide appropriation to purchase additional ADCS equipment once initial testing of the system has been completed. The Committee wonders, however, why the JEDMICS acquisition strategy and its predecessors (EDMICS, DESREDS, EDCARS) did not allow for the integration of modern technology into this multi-hundred million dollar system in the first place.

The Committee is concerned that the personnel community within the Defense Department is making the same mistake that the logistics community wants to now rectify in its automated document conversion program: namely, the need to digitally organize the information once it is scanned. This is another reason not to proceed further with the individual service personnel document conversion systems. Once the Department identifies a "best-of-breed" for its personnel records management system, it should seek to ensure that sufficient technology is included in the system acquisition so that the information that is scanned can be digitally manipulated in an optimum way.

An even larger problem is the proliferation of the technology outside the logistics and personnel communities, which at least apparently can identify when such duplication occurs. The Committee is aware that the Defense Information Systems Agency is soliciting a document imaging system with fiscal year 1994 funds. The Committee recommends that this acquisition not proceed until the Defense Department has complied with section 8114 of this bill. Section 8114, a new general provision, requires the Defense Department to formulate a master plan for automated document conversion systems. The plan should encompass all automated document technology within the Defense Department, to include purchase of equipment, procurement of services, development of technologies, or development of information systems.

### RESERVE COMPONENT AUTOMATION SYSTEM

The Committee is pleased that both the Secretary of the Army and the Secretary of Defense plan to field the Reserve Component Automation System by 1998, as indicated in the most recent report to Congress in December, 1993. The Committee recommends funding reductions in the Operation and Maintenance, Army National Guard appropriation due to excess funds. The Committee recommends an increase of \$70,000,000 in procurement to accelerate system fielding, offset by a decrease of \$3,100,000 for a help-desk that was scaled back after the budget was submitted to Congress. The Committee recommends that the bill language which established the acquisition strategy for this program be retained, to maintain the stability which has in part contributed to RCAS being considered as being a model acquisition by the General Services Administration and others.

#### SUSTAINING BASE INFORMATION SYSTEM

The Committee is concerned about disturbing trends in the Army's Sustaining Base Information System. A press article indicated that the program only has two problems: hardware and software. The Committee S&I staff reports that only 6 of 300 SBIS contract deliverables were delivered on time, the number of sites for deployment has been reduced from 128 to 70, that the number of lines of code for just the first SBIS increment has increased from 350,000 to 1,200,000, and that the hardware has yet to pass a systems acceptance test. The Army recently removed its program manager after an alarming increase in the number of lines of software code, which could potentially trigger an avalanche of cost growth since such software is developed on a cost-plus basis. The Committee does not object to the Army's strategy of involving potential system users in the incremental development of a functional description which governs this acquisition. However, the Army plans to invest over \$400 million in this system in the next five years, yet does not have a complete functional description through which the Army, its contractor, the Office of the Secretary of Defense, and the Congress can know with certainty the scope of the job to be done in this program and its attendant cost. The Committee's Surveys and Investigations staff also reported that procurement funds for SBIS in fiscal year 1995 are premature since the system will not have accomplished sufficient testing to warrant commencing production in fiscal year 1995, and that the SBIS MAISRC is now not scheduled until the fourth quarter of fiscal year 1995 which makes contract award within the fiscal year highly unlikely.

The Committee has included a new general prohibition (Section 8113) which prohibits the development of SBIS until the Assistant Secretary of Defense for C3I certifies to Congress that a complete and comprehensive functional description has been published by the Army and the Army has received from the SBIS contractor an estimate of the number of lines of software code to be developed and an estimate of the attendant cost of producing them. The general provision also prohibits the Army from shifting work that had been competitively awarded under the SBIS program through a government in-house activity to another contractor without competition. The Committee recommends a reduction of \$23,899,000 to the Army Operation and Maintenance request, which consists of reductions to fielding support (\$3,500,000), long distance telephone circuits (\$1,000,000), post-deployment software support (\$14,399,000), and award fee (\$5,000,000). The Committee also recommends a reduction of \$5,675,000 to the Military Entrance Processing Command's Integrated Resource System, to hold growth to the 1994 level since this acquisition utilizes the SBIS contract. The Committee recommends no funds for the Defense Information Systems Activity to use the SBIS contract, a reduction of \$1,924,000 to the Operation and Maintenance, Defensewide appropriation request.

The Committee directs the Assistant Secretary of Defense for Command, Control, Communications and Intelligence to submit a report to the Appropriations Committees of Congress providing a comprehensive economic analysis which includes a detailed definition of the total SBIS program and a reassessment of the return on investment for the life-cycle of the program. The report should also address Army plans to reorganize the SBIS program development office.

#### ARMY RESERVE

The Committee recommends a reduction of \$10,000,000 to the Army Reserve operation and maintenance appropriation. Of this amount, \$3,000,000 of the reduction is to the PERMS acquisition as previously explained in the automated document conversion section of this report. The Committee recommends a general reduction of \$7,000,000 since the Reserves have no strategic plan for automation, and have not implemented an interim automation policy which balances how interim computer purchases will be coordinated with the Reserve Component Automation System.

#### NAVAL RESERVE INFORMATION TECHNOLOGY MODERNIZATION

The Committee has provided \$13,000,000 above the request in Navy Operation and Maintenance and Defense-Wide procurement and directs the Department of Defense and the Navy to use this funding only for automatic data processing equipment or software, in-house central design development and operation and maintenance of such equipment and software for the Naval Reserve Force Information Systems Office, the Naval Reserve Personnel Center, the Enlisted Personnel Management Center and the collocated Naval Computer and Telecommunications Station.

The Committee has provided \$3,000,000 of this amount in Navy operation and maintenance funding and \$10,000,000 in Defense-Wide procurement for program development to be executed by these commands and bill language in a new general provision (sec. 8107). In last year's bill and report, the Committee identified a number of initiatives and missions for these commands to perform. The Committee directs DoD and the Navy to seriously consider those missions and additional workload for these commands as described in the fiscal year 1994 House and conference reports, especially regarding the establishment of a central management and control site for local area networks along the Gulf Coast.

In response to a Committee initiative in last year's conference report, the Office of the Comptroller of the Department of Defense has begun an analysis for having the Department of Agriculture's National Finance Center (NFC) provide some financial management and personnel support services through cross servicing arrangements for the Department of Defense. The Committee is encouraged by this action and is aware that the Military Department Comptrollers have identified the systems at the NFC as a potential alternative for "substantially lowering civilian payroll and civilian personnel system processing costs" while eliminating the need for DoD efforts to spend millions "to develop a unique Department of Defense integrated personnel and payroll system". To meet National Performance Review recommendations, these comptrollers have also recommended implementing a prototype implementation for using some NFC services.

The Committee strongly supports implementing, as quickly as possible, such a prototype or other actions that would utilize NFC services and local military command capabilities. The Committee is also aware of possible DoD requirements for central design activity software and development for DoD finance and accounting consolidations and other efforts. The Committee expects these local commands, including, if feasible, the local defense accounting office, to be utilized to develop any requirements identified by DoD for such efforts. The Committee would support DoD efforts and any necessary funding for these DoD efforts.

The Committee is supportive of Department or Service efforts to standardize many of its information management systems and functions by migrating them to one or fewer systems. However, the Committee is concerned that not enough emphasis is being placed on identifying existing service systems that can be modified at a lower cost to meet most if not all departmental standardization goals. The Committee understands that in the area of recruiting DoD is seriously considering a more costly new development or another new system called the joint recruiting information system as opposed to existing operational systems that are already deployed. The Navy Reserve's Command Integrated Recruiting Information Management System (CIRIMS) is a proven system that is currently deployed and is cost effective.

Prior to making any final decisions on the Department's effort to standardize or choose a migration system for its recruiting functions, a fair and full evaluation of CIRIMS shall be conducted, and DoD shall submit to the Committee on Appropriations a report detailing the systems being considered and the cost effectiveness analysis for each system. In choosing recruiting or other migration systems for standardization, the Committee fully expects the Offices of the Secretary of Defense and the military departments to primarily weigh the cost effectiveness and customer efficiency of systems including life cycle or outyear software and hardware development costs.

Last year the Committee directed the Navy to utilize the Enlisted Personnel Management Center and collocated commands to provide support for the Navy's total force concept and to improve personnel placement, processes, readiness systems and mobilization capabilities. The Committee still supports this direction, but the Committee is not aware that the Navy has followed these recommendations. The Committee directs the Department of the Navy to establish the Navy Reserve Force Information Systems Office, the Enlisted Personnel Management Center and the collocated Naval Computer and Telecommunications Station as the designers, developers, managers, integrators, and central design activities for the software development and maintenance of the Navy active and reserve single Source Data Collection system.

It is also the Committee's firm intent that the Navy shall continue information systems support for the Reserve Personnel and Mobilization Data Base at the Navy Reserve Force Information Systems Office. The Committee also expects that the operations, functions, and management of the Reserve Standard Training Administration and Readiness, the Reserve Financial Management, and other Reserve specific automation systems shall remain collocated with and under the operational control of the Commander, Naval Reserve Force.

## AIR FORCE AUTOMATED MAINTENANCE SYSTEMS

This Committee has, for several years, endeavored to motivate the Air Force to improve its automated maintenance management systems. Last year the Congress directed that TICARRS-92 be implemented prior to the end of FY94. While the Air Force has notified the Appropriations Committees of its inability to accomplish this direction, the Committee is pleased with the good-faith effort made by the Air Force. Nevertheless, the net result has been the lack of progress in providing more accurate maintenance data and in reducing the data entry burden of flightline personnel. In revisiting this matter, the Committee reviewed the Institute for Defense Analysis report, A Comparison of Air Force Data Systems, dated August 1993. This report reaffirmed this Committee's concern that action needs to be taken by the Air Force to enhance and evolve its current maintenance management information system. The Report further states, however, that neither TICARRS nor CAMS/REMIS represents the ultimate solution. Rather, the Integrated Maintenance Information System (IMIS) project at Armstrong Laboratory evolved to an open systems architecture appears to offer the greatest potential to improve efficiency of maintenance information systems and support modern on board diagnostics and interactive technical information.

The Committee, therefore, directs that the Air Force demonstrate this concept at one base/wing each for TICARRS and CAMS/REMIS, preferably on the same type aircraft (e.g., F-16), in FY95. The proof-of-concept shall evaluate current systems baselines, evaluate improved business processes, and demonstrate the migration from a closed system architecture to a standards-based, open systems architecture. The migration plan from TICARRS/CAMS/REMIS to IMIS shall be congruent with the Air Force plans for Base Level Systems Modernization and shall demonstrate compatibility with JCALS. Pending implementation of the migration plan and replacement of TICARRS/CAMS/REMIS, these systems shall be maintained at a level of sufficiency to assure that aircraft readiness is not compromised. Accordingly, the Committee appropriates \$15,000,000 for continued support of TICARRS, \$5,000,000 for improvements and corrections to REMIS, and an additional \$8,500,000 on the RDT&E account to conduct the proof-of-concept demonstrations.

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## LOCAL AREA NETWORKS

A December, 1993 Air Force audit discusses problems with the management of local area networks. In anticipation of management improvements in this area, the Committee recommends a reduction of \$33,529,000.

## GENERAL PROVISIONS

The Committee has included a new general provision, sec. 8030, concerning the Naval Reserve Personnel Center. The Committee has repeated bill language again this year, now in the general provision. This center is already collocated with the operations of the Commander, Naval Reserve Forces. Many of the center's operations are managed and most of its funding is provided by the Naval Reserve. Therefore, the Committee has provided bill language again placing operational control of the Naval Reserve Personnel Center, including all functions and responsibilities, under the command and control of the Commander, Naval Reserve Command.

The Committee has also included a general provision, sec. 8017, on certain Naval Reserve activities. The Committee prohibits funds from being used by the Navy and Department of Defense for certain data processing center, Defense Management Report Decision (DMRD) 918, information infrastructure, and personal consolidations, plans, disestablishments, or realignments that adversely impact the Naval Reserve Personnel Center (NRPC), the Naval Reserve Force Information Systems Office, the Enlisted Personnel Management Center (EPMAC) and the collocated Naval Computer and Telecommunications Station (NCTS). This prohibition on funding remains in effect until 60 legislative days after the Secretary of Defense and Comptroller General provide a report to the Committees on Appropriations justifying and validating DOD actions.

The fiscal year 1994 Defense Appropriations bill and report contained similar restrictions. The House Report (103-254, p. 306) from this bill also discussed actions by the Defense Information Systems Agency to intentionally circumvent Congressional oversight by submitting a DOD Data Center Consolidation of below threshold facilities to the Defense Base Closure and Realignment Commission (BRAC). Consolidating like operations with a goal towards computer commonality or standardization is meritorious in many instances. However, DOD and DISA submitted their DOD Data Center Consolidation in early 1993 to the BRAC prior to meeting any of the conditions and reporting requirements required by Congress by statute in effect at that time (Section 9047, P.L. 102-396). DISA's justifications for submitting the consolidation to the BRAC in 1993 clearly stated that their major reason for doing so was to circumvent Congressional restrictions. DISA's justification also admitted that every data processing center

disestablishment recommended by DISA was below the numerical thresholds in the base closing law (10 USC 2687) that require closure and realignment actions by DOD to be submitted in the BRAC process. While closures and realignments below threshold are not prohibited from being included in the BRAC process, a review by the Library of Congress American Law Division of section 9047, P.L. 102-396, found that if closure or realignments were below the thresholds in 10 USC 2687 the base closing law does not require such actions to be placed in the BRAC process. The Library of Congress review went on to say that "under such circumstances, the strictures of section 9047 of the FY1993 Defense Appropriations Act (P.L. 102-396 in effect at that time) could not lawfully be circumvented by simply including the consolidated plan in the Department's recommendation to the Base Closure Commission". The Committee makes every effort not to interfere in the BRAC process. However, the Committee directs the Secretary of Defense and Military Departments not to use the BRAC process to circumvent legislative restrictions that impact below threshold commands, facilities, data processing, defense information technology infrastructure, DMRD, or DBOF initiatives. Valid Congressional oversight cannot be misrepresented as micro-managing. The fiscal year 1995 DISA budget justifications indicate that since DISA's data center consolidation submission just last year, DISA's one time investment costs for this consolidation have risen from \$309,000,000 to \$417,000,000. Therefore, the Committee also directs that for any planned or future data processing, information technology, and personnel center or function consolidations or closures below threshold, the Secretary of Defense develop criteria for such actions that are primarily weighted to evaluate, measure and compare how data processing centers, central design activities, or information technology facilities/functions, and civilian and military personnel functions and activities are ranked in terms of operational readiness, customer satisfaction, and the most cost effective and least expensive from a business performance and regional operations standpoint.

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#### GOVERNMENT CLASSIFICATION

The Committee strongly supports the development of a common methodology for defining and tracking security costs in the Defense Department, Intelligence Community, and industry; thus the Secretary of Defense and the Director of Central Intelligence are directed to work with the Office of Management and Budget to establish a coherent security and classification cost accounting system and submit a plan for reducing inefficiencies and expenditures based on the President's expected revision of Executive Order 12356, and other security policies.

#### TITLE I

#### MILITARY PERSONNEL

#### PROGRAMS AND ACTIVITIES FUNDED BY MILITARY PERSONNEL APPROPRIATIONS

The President's budget request reflects a continuation in the drawdown of military personnel and force structure, as stated elsewhere in this Report. The increased reductions in end strength for active and Guard and Reserve personnel result from reducing forces overseas, base closures, and changing strategy and doctrine within the Department. The fiscal year 1995 budget request recommended a 1.6 percent pay increase for military personnel. However, the Committee remains concerned about the comparability gap between the military and private sector pay and therefore, recommends an additional \$465,000,000, for a 2.6 percent pay raise for military personnel.

#### SUMMARY OF MILITARY PERSONNEL RECOMMENDATIONS FOR FISCAL YEAR 1995

Fiscal year 1994	\$70,624,044,000
Fiscal year 1995 budget request	70,475,397,000
Fiscal year 1995 recommendation	70,893,502,000
Change from budget request	+418,105,000

The Committee recommends an appropriation of \$70,893,502,000 for the Military Personnel accounts. The recommendation is an increase of \$269,458,000 above the \$70,624,044,000 appropriated in fiscal year 1994. These military personnel budget total comparisons include appropriations for the active, reserve, and National Guard accounts. The following tables include a summary of the recommendations by appropriation account. Explanations of changes from the budget request appear later in this section.

#### SUMMARY OF APPROPRIATION ACCOUNT OF THE FISCAL YEAR 1995 MILITARY PERSONNEL RECOMMENDATION

[In thousands of dollars]

Account	Budget	Recommendation	Change from budget
<b>Military Personnel:</b>			
Army	\$20,601,170	\$20,737,470	+136,300
Navy	17,580,983	17,692,537	+111,554
Marine Corps	5,778,571	5,816,671	+38,100
Air Force	17,218,579	17,311,379	+92,800
Subtotal, Active	61,179,303	61,558,057	+378,754
<b>Reserve Personnel:</b>			
Army	2,174,520	2,183,620	+9,100
Navy	1,392,409	1,398,609	+6,200
Marine Corps	353,948	354,048	+100
Air Force	781,383	782,434	+1,051
<b>National Guard Personnel:</b>			
Army	3,360,505	3,378,705	+18,200
Air Force	1,233,329	1,238,029	+4,700
Subtotal, Guard and Reserve	9,296,094	9,335,445	+39,351
Total, Title I	70,475,397	70,893,502	+418,105

The fiscal year 1995 budget request included a decrease of 85,484 end strength for the active forces and a decrease of 45,803 end strength for the selected reserve over fiscal year 1994 authorized levels.

The Committee recommends the following levels highlighted in the tables below.

#### OVERALL ACTIVE END STRENGTH

Fiscal year 1994 estimate	1,611,176
Fiscal year 1995 budget request	1,525,692
Fiscal year 1995 House authorization	1,525,692
Fiscal year 1995 recommendation	1,525,692
Compared with fiscal year 1994	-85,484
Compared with fiscal year 1995 budget request	.....



# OVERALL SELECTED RESERVE END STRENGTH

Fiscal year 1994 estimate	1,024,800
Fiscal year 1995 budget request	978,997
Fiscal year 1995 House authorization	978,997
Fiscal year 1995 recommendation	979,062
Compared with fiscal year 1994	-45,738
Compared with fiscal year 1995 budget request	+65

## Fiscal year 1995

	Fiscal year 1994 estimate	Budget request	House authorization	Recommen- dation	Comparison of request with recommendation
Active Forces (end strength):					
Army	540,000	510,000	510,000	510,000	
Navy	471,476	441,641	441,641	441,641	
Marine Corps	174,000	174,000	174,000	174,000	
Air Force	425,700	400,051	400,051	400,051	
Total, Active Force	1,611,176	1,525,692	1,525,692	1,525,692	
Guard and Reserve (end strength):					
Army Reserve	260,000	242,000	242,000	242,000	
Navy Reserve	113,400	100,710	100,710	100,710	
Marine Corps Reserve	42,200	42,000	42,000	42,000	
Air Force Reserve	81,500	78,706	78,706	78,771	+65
Army National Guard	410,000	400,000	400,000	400,000	
Air National Guard	117,700	115,581	115,581	115,581	
Total, Guard and Reserve	1,024,800	978,997	978,997	979,062	+65

## ADJUSTMENTS TO MILITARY PERSONNEL ACCOUNT OVERVIEW

### MILITARY RETIREE COST OF LIVING ADJUSTMENT (COLA)

The Omnibus Budget Reconciliation Act of 1993 delayed the effective date of both military and Federal civilian retiree COLAs for fiscal year 1995. The legislation enacted requires the two retiree groups receive their COLAs on

different schedules. The Committee believes these COLAs need to be changed to take effect simultaneously, as it imposes significant financial penalties on military retirees.

The House Armed Services Committee recommended changing the date of the military retiree COLA to April 1995, but directed that it shall be effective only if \$376,000,000 were appropriated to the Military Retirement Fund. Although the Committee strongly supports changing the military's COLA date to conform with the civilian date, it does not believe additional funds need to be appropriated into the Military Retirement Fund. There are adequate balances in the Fund to finance this change in schedule. The Committee does not believe discretionary funds should be used to finance entitlement programs. The Committee is hopeful the proper Congressional committees will find alternative solutions to eliminate the disparity between the two retiree groups.

#### SPECIAL AND INCENTIVE PAYS

The use of selected Special and Incentive pays are an important part of military compensation and are necessary in attracting and retaining qualified men and women in critical skills and for unusual and difficult assignments worldwide. The Committee's Surveys and Investigations Staff recently completed an inquiry which determined that the use of Special and Incentive pays by the Department has evolved over the years to be a complex assortment of 56 separate pays that receive little oversight at the top levels of the military departments or in the Office of the Secretary of Defense.

The fiscal year 1995 budget includes approximately \$1.9 billion for Special and Incentive pays. The Surveys and Investigations Staff found that while the Services are generally consistent with the law in their use of these pays, there are certain individual pays that are used excessively and are not justified by requirements, for instance Aviation Continuation Pay.

The Seventh Quadrennial Review on Military Compensation (QRMC) proposed recommendations to improve the management of Special and Incentive pays. These recommendations have not been implemented by the Department of Defense, and there are no immediate plans to do so. The Committee believes that increased oversight of the use and management of Special and Incentive pays is needed, and directs the Secretary of Defense to report on actions taken or planned to implement improvements to the Special and Incentive Pay System as recommended by the 7th QRMC.

The Committee also directs the Secretary to include a requirement for a comprehensive review of Special and Incentive pays in the charter of the 8th QRMC scheduled to start January 1995, with a report on these pays to the Committee by January 1996. The report is to identify those pays no longer required that should be eliminated, provide justification for each pay to be retained and the rate of payment, and include a proposed revision of Chapter 5, Title 37, United States Code to include appropriate designations and specific provisions for each pay to be retained.

#### RESERVE PERSONNEL UNDERSTRENGTH

The Committee recommends a total reduction of \$20,300,000 for the Reserve personnel accounts based on data provided that shows the Reserve components are experiencing personnel understrengths for fiscal year 1994.

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#### ARMY OFFSITE AGREEMENT

The Committee recognizes that prudent downsizing of the Army Reserve and Army National Guard is necessary and is pleased that the end strength levels for each component in the outyears was finally resolved during the offsite meetings.

The Committee, however, recognizes the magnitude of change envisioned in the Offsite Agreement and the substantial turmoil that will be placed on Guard and Reserve personnel. The Committee is concerned with the impact these changes could have on near and intermediate term readiness if the transfer of units is not pursued in a reasonable manner.

Since the Bottom-Up Review places more emphasis on the Reserve Components than ever before, their continued readiness is critical to the successful implementation of current strategies. We cannot afford a significant deterioration in the readiness of our Reserve components both from a military and financial standpoint.

The Committee urges the Department to maximize the retention of trained personnel by integrating them into receiving Guard and Reserve units, and to proceed at a pace that minimizes the disruption of those early deploying Reserve units.

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#### NAVY RESERVE FORCE STRUCTURE

The Committee is aware that the Navy Reserve budget request has been reduced proportionately larger than the Active Navy for the past several years. The Committee considered and made every attempt to find the resources to restore the end strength and force structure reductions of the Navy Reserve. However, because of scarce budget resources, funds were directed to critical shortfalls in readiness, such as the increased pay raise, depot maintenance, and real property maintenance backlogs.

The Committee believes the Department should carefully reexamine its priorities to ensure Navy Reserve end strength and force structure levels are adequate in future budget submissions. The Committee also urges the Department to determine if there is sufficient justification to retain those Naval Reserve missions, in particular the carrier air wing, that were deleted in the fiscal year 1995 budget request.

#### FORCE STRUCTURE ADJUSTMENT

The Committee agrees with the President's budget request for Active and Guard and Reserve end strength levels, and recommends appropriations to support the end strengths contained in the National Defense Authorization Bill for Fiscal Year 1995. Funds have been added to reinstate the personnel and operation and maintenance support of the Air Force Reserve as follows.

Air Force Reserve. The Committee included additional funds for the WC-130 Weather Reconnaissance Mission: \$651,000 for 65 reservists in Reserve personnel, Air Force; and \$2,015,000 in Operation and maintenance, Air Force Reserve for 34 technicians and other operating expenses.

The Committee also provided \$10,000,000 in Operation and maintenance, Air Force Reserve for an additional 94 technicians and support costs of C-130's at the 910th Airlift Group in Ohio.

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#### FULL-TIME SUPPORT STRENGTHS

There are four categories of full-time support in the Guard and Reserve components: civilian technicians, active Guard and Reserve (AGR), non-technician civilians, and active component personnel. Full-time support end strength in all categories totalled 158,008 in fiscal year 1994, and the fiscal year 1995 budget request is 156,872.

The following table summarizes Guard and Reserve full-time support end strengths:

#### GUARD AND RESERVE FULL-TIME END STRENGTHS

	Fiscal year 1994 appropriated	Budget request	HASC	Committee recommendation	Recommendation versus request
Army Reserve:					
AGR	12,542	11,940	11,940	11,940	
Technicians	7,159	7,004	7,004	7,004	
Navy Reserve TAR	19,369	17,510	17,510	17,510	
Marine Corps Reserve	2,285	2,285	2,285	2,285	

Air Force Reserve:					
AGR	648	648	648	648	
Technicians	10,541	10,295	10,295	10,423	+128
Army National Guard:					
AGR	24,180	23,650	23,650	23,650	
Technicians	27,259	27,394	27,394	27,394	
Air National Guard:					
AGR	9,389	9,098	9,098	9,098	
Technicians	24,267	24,210	24,210	24,210	
Total:					
AGR/TAR	68,413	65,131	65,131	65,131	
Technicians	69,226	68,903	68,903	69,031	+128

#### TECHNICIANS

The Committee has appropriated sufficient funds in the Operation and maintenance accounts of the Army Reserve, Air Force Reserve, Army National Guard, and Air National Guard to cover the levels as set forth in the President's budget. These funds should not be used for any other purpose without a prior approval reprogramming being submitted to the Committee.

In addition, the Committee includes section 8027 which provides the Secretary of Defense with authority to transfer prior year unobligated balances and funds appropriated in this Act to the Operation and maintenance appropriations for the purpose of providing military technician pay the same exemption from any sequestration. The Committee expects the Department to follow the intent of this position.

#### MILITARY PERSONNEL, ARMY

Fiscal year 1994 appropriation	\$21,296,177,000
Fiscal year 1995 budget request	20,601,170,000
Committee recommendation	20,737,470,000
Change	+136,300,000

The Committee recommends an appropriation of \$20,737,470,000 for Military Personnel, Army. The recommendation is a decrease of \$558,707,000 below the \$21,296,177,000 appropriated for fiscal year 1994. The adjustment to the fiscal year 1995 budget request is as follows:

	[In thousands of dollars]
Pay increase	+136,300

#### MILITARY PERSONNEL, NAVY

Fiscal year 1994 appropriation	\$18,330,950,000
Fiscal year 1995 budget request	17,580,983,000
Committee recommendation	17,692,537,000
Change	+111,554,000

The Committee recommends an appropriation of \$17,692,537,000 for Military Personnel, Navy. The recommendation is a decrease of \$638,413,000 below the \$18,330,950,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

	[In thousands of dollars]
Pay increase	+113,700
Aviation continuation pay	-1,000

Responsibility Pay	-1,146
Total	+111,554

#### MILITARY PERSONNEL, MARINE CORPS

Fiscal year 1994 appropriation	\$5,772,317,000
Fiscal year 1995 budget request	5,778,571,000
Committee recommendation	5,816,671,000
Change	+38,100,000

The Committee recommends an appropriation of \$5,816,671,000 for Military Personnel, Marine Corps. The recommendation is an increase of \$44,354,000 above the \$5,772,317,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]	
Pay increase	+38,700
Aviation continuation pay	-600
Total	+38,100

#### MILITARY PERSONNEL, AIR FORCE

Fiscal year 1994 appropriation	\$15,823,030,000
Fiscal year 1995 budget request	17,218,579,000
Committee recommendation	17,311,379,000
Change	+92,800,000

The Committee recommends an appropriation of \$17,311,379,000 for Military Personnel, Air Force. The recommendation is an increase of \$1,488,349,000 above the \$15,823,030,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]	
Pay increase	+117,300
Aviation continuation pay	-9,600
Aviation career incentive pay	-500
B-52 cost savings	-14,400
Total	+92,800

#### RESERVE PERSONNEL, ARMY

Fiscal year 1994 appropriation	\$2,149,147,000
Fiscal year 1995 budget request	2,174,520,000
Committee recommendation	2,183,620,000
Change	+9,100,000

The Committee recommends an appropriation of \$2,183,620,000 for Reserve Personnel, Army. The recommendation is an increase of \$34,473,000 above the \$2,149,147,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]	
Pay increase	+12,900
Personnel understrength	-3,800
Total	+9,100

## 78TH INFANTRY DIVISION (EXERCISE)

The Committee remains in support of maintaining the 78th Division as an Exercise Division with an approximately stable workforce, and with its headquarters and Battle Projection Center remaining at the Joyce Kilmer Army Reserve Center, in Edison, New Jersey. The Committee expects to have prior notification of 60 days in advance of any proposed changes to these issues at the 78th Division.

### RESERVE PERSONNEL, NAVY

Fiscal year 1994 appropriation	\$1,555,800,000
Fiscal year 1995 budget request	1,392,409,000
Committee recommendation	1,398,609,000
Change	+6,200,000

The Committee recommends an appropriation of \$1,398,609,000 for Reserve Personnel, Navy. The recommendation is a decrease of \$157,191,000 below the \$1,555,800,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]

Pay increase	+8,400
Personnel understrength	-2,200
Total	+6,200

### RESERVE PERSONNEL, MARINE CORPS

Fiscal year 1994 appropriation	\$350,890,000
Fiscal year 1995 budget request	353,948,000
Committee recommendation	354,048,000
Change	+100,000

The Committee recommends an appropriation of \$354,048,000 for Reserve Personnel, Marine Corps. The recommendation is an increase of \$3,158,000 above the \$350,890,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]

Pay increase	+2,100
Personnel understrength	-2,000
Total	+100

### RESERVE PERSONNEL, AIR FORCE

Fiscal year 1994 appropriation	\$781,958,000
Fiscal year 1995 budget request	781,383,000
Committee recommendation	782,434,000
Change	+1,051,000

The Committee recommends an appropriation of \$782,434,000 for Reserve Personnel, Air Force. The recommendation is an increase of \$476,000 above the \$781,958,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]

Pay increase	+4,600
WC-130 weather reconnaissance mission	+651
Personnel understrength	-4,200
Total	+1,051

#### WC-130 WEATHER RECONNAISSANCE MISSION

The Committee continues to strongly believe that the weather reconnaissance mission is critical to the protection of Defense installations and the entire population living along the east and Gulf coasts of the United States. Section 8047 has been included which prohibits funds to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron (Hurricane Hunters) of the Air Force Reserve if such action would reduce the Weather Reconnaissance mission below the levels funded in this Act. The level specifically funded in this Act is to support a stand alone squadron with dedicated 10 PAA aircraft, 20 line assigned aircrews evenly divided between Air Reserve Technician (ART) and Reserve aircrews, and at least 1,600 flying hours dedicated to this mission. Funding has also been provided to ensure adequate operation and maintenance support. The Committee is adamant that this important mission be continued in accordance with this direction and directs the Air Force Reserve to complete and provide manpower, logistics and flying hour documents in support of this mission prior to the end of the first quarter of the fiscal year and to budget for these levels of support in the future. The Committee also directs the Air Force Reserve to allow the 53rd Weather Reconnaissance Squadron to perform other important service, joint service, DoD, or inter agency missions during the non-hurricane season or slow periods during hurricane season. The Air Force Reserve shall provide a detailed report to the Committee on Appropriations along with the Fiscal Year 1996 Budget request detailing the Weather Squadron's new equipment, maintenance and aircraft modernization needs.

#### NATIONAL GUARD PERSONNEL, ARMY

Fiscal year 1994 appropriation	\$3,340,283,000
Fiscal year 1995 budget request	3,360,505,000
Committee recommendation	3,378,705,000
Change	+18,200,000

The Committee recommends an appropriation of \$3,378,705,000 for National Guard Personnel, Army. The recommendation is an increase of \$38,422,000 above the \$3,340,283,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]

Pay increase	+22,600
Personnel understrength	-4,400
Total	+18,200

#### NATIONAL GUARD PERSONNEL, AIR FORCE

Fiscal year 1994 appropriation	\$1,223,492,000
Fiscal year 1995 budget request	1,233,329,000
Committee recommendation	1,238,029,000
Change	+4,700,000

The Committee recommends an appropriation of \$1,238,029,000 for National Guard Personnel, Air Force. The recommendation is an increase of \$14,537,000 above the \$1,223,492,000 appropriated for fiscal year 1994. The adjustments to the fiscal year 1995 budget request are as follows:

[In thousands of dollars]

Pay increase	+8,400
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Personnel understrength  
Total

-3,700  
+4,700



## TITLE II OPERATION AND MAINTENANCE

The fiscal year 1995 budget request for operation and maintenance is \$81,926,891,000 in new obligational authority, which is an increase of \$5,310,104,000 from the amounts appropriated in the fiscal year 1994 Appropriations bill. The request also includes \$150,000,000 cash transfer from the National Defense Stockpile Fund.

The accompanying bill recommends \$80,006,961,000 for fiscal year 1995, which is a decrease of \$1,919,930,000 from the budget request and \$3,390,174,000 above the amounts appropriated in fiscal year 1994. Additionally, this level is \$445,089,000 above the amounts in the House-passed authorization bill.

These appropriations finance the costs of operating and maintaining the Armed Forces, including the reserve components and related support activities of the Department of Defense (DOD), except military personnel costs. Included are amounts for pay of civilians, services for maintenance of equipment and facilities, fuel, supplies, and spare and repair parts for weapons and equipment. Financial requirements are influenced by many factors, including force level such as the number of aircraft squadrons, Army or Marine Corps divisions, installations, military strength, deployments, rates of operational activity, and quantity and complexity of major equipment such as aircraft, ships, missiles and tanks in operation.

### OPERATION AND MAINTENANCE OVERVIEW

The Committee fully agrees with the Defense Department that maintaining the readiness of the armed forces must be a top priority. The downsizing of the force structure and downward trend of DOD's annual budgets are showing signs of a "hollow force." The Committee is concerned that readiness is at risk.

The operation and maintenance (O&M) appropriation, often referred to as the readiness account, provides those funds to train the troops and maintain their equipment. A significant amount of O&M also goes to maintain the infrastructure of military installations worldwide. Additionally, O&M funds support programs to maintain a quality of life for military personnel and their families.

The Committee fully funded the Services' OPTEMPOs. However, the Committee notes that there are significant shortfalls in the Service's readiness accounts. The depot maintenance backlog is over \$2,200,000,000; the real property maintenance backlog is over \$12,000,000,000; and there are shortages of spares and war reserve stocks. The Committee is also aware that the Services have curtailed training or eliminated certain aspects of unit training and major joint exercises. For example, the Army has eliminated a number of battalion-sized training events and the Air Force has significantly cut funding for advanced combat exercises such "Red Flag", "Green Flag" and "Maple Flag" because of lack of funds.

The Committee recommends an additional \$400,000,000 to fund shortfalls in unit training, flying hours, war reserve spare parts, and training support. Depot maintenance funding is increased by \$607,000,000, reducing the backlog by 25%. The Committee has added \$517,000,000 for real property maintenance to repair barracks, dormitories, armories and Reserve centers. An additional \$530 million is also provided for a pay raise and locality pay for civilian personnel.

The Committee notes that the Department continues to support large overhead functions. The Committee expects the Department to consolidate, streamline and eliminate major commands, major subordinate commands and field operating agencies. Services supporting management and administrative functions, such as automated data processing and consultants and advisory contracts, must be cut back. Large and unnecessary overhead functions take away valuable resources that can go to support the troops in the field. With this in mind, the Committee reduced funding that support overhead functions.

The table summarizes the Committee's recommendations:

[In thousands of dollars]

	Budget request	Committee recommended	Change from request
O&M, Army	17,766,814	17,836,504	+69,690
Transfer-Stockpile	(50,000)	(50,000)	
O&M, Navy	21,176,570	21,316,555	+139,985
Transfer-Stockpile	(50,000)	(50,000)	
O&M, Marine Corps	1,918,395	2,097,395	+179,000
O&M, Air Force	19,026,623	18,913,050	-113,573
Transfer-Stockpile	(50,000)	(50,000)	
O&M, Defensewide	10,208,413	8,945,266	-1,263,147
O&M, Army Reserve	1,253,709	1,240,109	-13,600
O&M, Navy Reserve	827,819	834,119	+6,300
O&M, Marine Corps Reserve	81,462	83,542	+2,080
O&M, Air Force Reserve	1,478,990	1,486,805	+7,815
O&M, Army National Guard	2,447,148	2,498,868	+51,720
O&M, Air National Guard	2,780,178	2,797,978	+17,800
Natl. Board for the Promotion of Rifle Practice, Army	2,544	2,544	
Court of Military Appeals, Defense	6,126	6,126	
Environmental Restoration, Defense	2,180,200	1,880,200	-300,000
Summer Olympics			
World Cup USA 1994			
Support for internatl. sporting competitions, Defense		7,900	+7,900
Humanitarian assistance	71,900	60,000	-11,900
Former Soviet Union threat reduction	400,000		-400,000
International Peacekeeping	300,000		-300,000
 Grand total O&M	 81,926,891	 80,006,961	 -1,919,930
Transfer	(150,000)	(150,000)	
 Total funds available, O&M	 (82,076,891)	 (80,156,961)	 (-1,919,930)

#### TRAINING STANDARDS

The Committee is aware of the Services' efforts to fully integrate women into the armed forces, and supports those efforts. The objective of such efforts must be to eliminate gender-based discrimination while maintaining the operational readiness of the armed forces. The Committee is concerned that current DoD training standards, which in fact differentiate performance based on gender, have the potential to adversely affect morale and readiness.

The Committee directs the Department to submit a study on the development of gender-neutral training standards to the Committees on Appropriations and Armed Services of the House and Senate by April 30, 1995. The study should be conducted with input from each of the Services. The ultimate goal is to establish a set of objective training standards tied to the skills and performance requirements of specific jobs in the military. Anyone fulfilling those training standards, regardless of gender, should be considered qualified to perform that job. The Committee reminds the Department that lowering current training standards to suit gender-neutral standards would degrade readiness. The focus for implementing gender-neutral training standards must be to maintain or enhance the readiness of the armed forces.

#### DEPOT MAINTENANCE

**Funding Levels.** As mentioned earlier, the Committee has recommended an increase over the request of \$600 million for depot maintenance. Despite the Committee's having added over \$320 million to depot maintenance requests over the past two years, the unfunded backlog of depot maintenance requirements has doubled over that same timeframe. By deferring necessary maintenance to achieve near-term savings the DoD is only preordaining even larger maintenance bills in the future and increasing the probability the forces in the field will not have the equipment they need when they need it. The Committee views this as a direct threat to readiness. This is especially true today given the high tempo of operations, which increases the need for scheduled and unscheduled maintenance to maintain acceptable mission-capable rates without resorting to cannibalization or other work-arounds-which experiences of the 1970's revealed were ultimately self-defeating. The Committee finds these trends intolerable and directs the Department, during development of the fiscal year 1996 Future Years Defense Plan, to apportion sufficient funding to the depot maintenance accounts so as to avoid any further increases in depot backlog.

In addition, the Committee designates depot maintenance as a special interest item, thereby preventing the transfer of funds to other activities without Committee approval through the reprogramming process. The Committee recognizes the continuing costs, pace and scope of unbudgeted contingency operations, such as those near the former Yugoslavia, have forced the Department to severely reduce appropriated levels of funds for a host of readiness-related areas, not just depot maintenance but also OPTEMPO, base operations, training, and real property maintenance. The Committee believes the practice of raiding these accounts to support contingency operations has become all too commonplace and must stop. The Committee has added funding in this bill for these areas in order to redress growing readiness problems and does not intend these funds be freely diverted to support contingency operations. These should either be supported by a supplemental funding request or, in the case of a longstanding operation (such as continued operations around Iraq), through inclusion in the annual budget submission.

**Public versus Private Depot Maintenance.** DoD is reassessing which portion of its depot maintenance workload should be performed in public depots and by private industry, and how this workload is to be apportioned. While the DoD's position is still evolving, the Committee is concerned that the policy is more focused towards providing work to the private sector than recommending a maintenance strategy, involving both public and private sectors, which meets operational requirements in the most cost-effective manner.

DoD is currently redefining those maintenance capabilities-called "core"-needed to meet the readiness and sustainability requirements of those weapons systems supporting contingency operations. The Committee believes the core definition should not only encompass these capabilities but also provide a robust surge capacity and a quick reaction systems fabrication and modification capability. The latter currently exists in organic depots and proved its worth during Desert Storm through assuring operational commanders ready and time-urgent access to the most modern, capable systems without being forced to rely upon the vagaries of contracting with the private sector.

The DoD has recommended core depot maintenance capabilities be retained in the services' organic depots. It is also actively considering directing all remaining workload to the private sector-a step which completely ignores any question of cost-effectiveness and depends on a core definition which could be highly arbitrary in its application. The Committee does not support giving the private sector workload currently performed by organic depots in the absence of any data suggesting it will save money or without competition from depots.

The Committee directs the Department to report back on its new "core" definition by January 15, 1995, addressing these concerns as well as describing the overall depot maintenance workloading strategy, and detailing by service what constitutes core, how that differs from the 1993 definition of core, and how core complies with statutory guidance regarding the organic/private sector share of depot maintenance.

A related issue involves competition for depot maintenance workloads. Until recently, the DoD competed selected workloads between service facilities and private industry ("public-private competition") and among defense depots ("public-public competition"). Recent guidance from the Deputy Secretary of Defense has suspended all such competitions, based on a belief that differences between public and private bids, and public versus public bids involving different services, cannot be reconciled sufficiently to warrant continuing such competitions at present.

Concerning public-private competitions, the GAO reports that DoD has made considerable progress in making these competitions fair and endorses continued public-private competition as a means to reduce depot maintenance costs. The Committee shares the GAO position and believes DoD should continue such competitions as a means of cutting costs and maintaining competitive pressure on its depot maintenance suppliers. Since DoD policy in this regard appears fluid, the Committee directs the Department to reconsider public-private competitions and to report back to the Committee should such competitions be reinstituted or by January 15, 1995, on its policy regarding such competitions.

Regarding public-private competitions, while the Committee believes they too have resulted in savings, DoD has proposed replacing them with interservicing workloads to Centers of Excellence. The Committee strongly supports interservicing (see below) and therefore endorses this decision.

Interservicing. The Committee has been a longstanding proponent of efforts to streamline and economize depot maintenance activities through the use of interservicing. The Committee is gratified that emerging policy from the DoD, most recently stated in a May 4, 1994 directive from the Deputy Secretary of Defense, appears to endorse greater use of interservicing. The Committee also agrees with the Deputy Secretary's position that decisions regarding organic depot maintenance, referred to as "core," be dealt with on a Department-wide basis rather than service-specific. Such designation, endorsed by the Chairman, Joint Chiefs of Staff last year as well as the GAO, is essential in order to fully pursue interservicing opportunities.

Nonetheless, there has yet to be a specific plan or program of interservicing developed by DoD. The Committee continues to believe this must be pursued aggressively and that cost-effective interservicing opportunities should be implemented as soon as is feasible. In order to monitor the Department's progress in this area, the Committee therefore repeats its directives from last year regarding the development of an interservicing process, the commodity areas to be considered, and the goals to be pursued. The Committee directs the Secretary of Defense to report back to the Committee by March 15, 1995, on the steps he has taken to further implement this guidance. In addition to the items cited last year, this report shall include details regarding the decisionmaking process used to reach interservicing decisions, the rationale supporting each specific interservicing proposal, and the schedule and means of implementation.

DD Form 1414, Base for Reprogramming. Depot maintenance shall be identified as a special interest item in the DD Form 1414, Base for Reprogramming. The Committee recommends the following depot maintenance funding levels for DD 1414, Base for Reprogramming.

Army	\$1,337,300,000
Navy	3,884,200,000
Marine Corps	178,000,000
Air Force	1,537,000,000
Army Reserve	91,000,000
Navy Reserve	153,800,000
Marine Corps Reserve	2,800,000
Air Force Reserve	200,700,000
Army National Guard	113,500,000
Air National Guard	340,600,000

Defense Commercialization Activities. The House-passed National Defense Authorization bill for fiscal year 1995 contains two new provisions (Sections 329 and 1057) granting authority for DoD depot maintenance and industrially-funded activities to sell non-defense commercial goods and services to customers outside of the DoD or the Federal government. Implementation of these provisions would constitute a major policy change. DoD activities have had only limited involvement in private sector sales, principally at one Army Arsenal, and then almost exclusively as a DoD initiative where the end product ultimately returns to or supports the Department and is justified for national security reasons. The authorization provisions would change this by providing relatively broad grants of authority for over two dozen DoD facilities to enter into direct competition with the private sector for sales of non-defense commercial goods and services.

These provisions would complicate both the Department's current financial management operations and the ongoing base closure and realignment process. With respect to the former, the Committee is concerned there will not be adequate oversight and control over the funds required by Defense facilities to execute commercial contracts, or the revenues derived from commercial sales. Commercial activities will obscure the actual costs of defense activities at facilities in question, thereby making efforts to streamline operations more difficult and defeating the purpose of many ongoing management efforts, such as the Defense Business Operations Fund. Other questions include whether proceeds from commercial sales are subject to taxation and whether and how Federal employees performing commercial work are to be paid or insured against liabilities or personal injury. The Committee believes allowing Defense facilities to enter the commercial marketplace with little oversight or effective, well-understood financial controls and regulations would needlessly complicate efforts to reform DoD's already-troubled financial management system.

The Committee is also concerned over the impact of this legislation in terms of complicating the base closure and realignment process. These new provisions will undoubtedly prompt depots and other industrially-funded activities to actively pursue non-defense commercial work as a means to remain more viable in an era of base closings. Unless appropriately governed, this could create a perverse set of incentives with Defense activities motivated to become non-defense commercial entities, and Defense military and civilian employees private sector entrepreneurs, in an effort to avoid potential base closure or realignment. This has nothing to do with, and indeed detracts from, the performance of the military mission which is the reason for these facilities' existence and upon which base closure decisions are supposed to be based.

The Committee realizes that commercial, non-defense work, if appropriately managed, could provide a means to more fully utilize defense facilities. In addition, the Committee recognizes that under the current base closure process there are only limited opportunities for any defense activity selected for closure to begin a significant transition to commercial use before the base closure is complete. In this regard, if targeted to activities selected for closure and implemented so as not to delay closure actions, the provisions included in the House-passed Defense Authorization could provide a means to more quickly convert these activities to productive use.

Nevertheless, given the numerous policy and implementation issues involved, the Committee believes it is imprudent at this time to provide broad grants of authority for DoD facilities to enter into commercial sales and partnerships with industry for non-defense purposes without stronger financial oversight and limitations on potential commercial activities, without insulation of the base closure process from the effects of such legislation, and finally, without appropriate review by either the DoD or the committees of jurisdiction. The Department is directed to ensure that the authority in these provisions is excluded from consideration in the base closure and realignment decision process. The Committee believes this subject deserves additional attention and therefore directs the Secretary of Defense to review these provisions as well as the concerns cited by the Committee, and to report back to the Committee by April 30, 1995 with recommendations regarding future policy in this area.

#### REAL PROPERTY MAINTENANCE

The rapid growth of the real property maintenance backlog is alarming. The backlog is projected to be over \$12 billion in fiscal year 1995. This backlog has been increasing by \$2 billion each year. The Committee hopes that when the facility maintenance survey is completed, the Department will be able to determine how to best manage real property resources and to prioritize repair projects accordingly.

The Committee is very concerned about the condition of facilities of many at DOD's military installations. Specifically, barracks and dormitories are continuing to deteriorate, partly because funds are not available to make major renovations or replace many of these post-World War II buildings. Many of these barracks and dormitories are in dire need of repair.

The Committee notes that there is a large number of barracks and dormitories repair projects in the real property maintenance backlog. The Committee agrees to provide an additional \$506,000,000 to get these repair projects out of the backlog. These funds are available for obligation until September 30, 1996. The breakdown of funding is as follows:

Army	\$156,000,000
Navy	200,000,000
Marine Corps	66,000,000
Air Force	84,000,000

Additionally, the Committee agrees to provide additional funds to make necessary repairs at armories and Reserve Centers. The breakdown of funding is as follows:

Army Reserve	\$2,000,000
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Navy Reserve	2,000,000
Marine Corps Reserve	2,000,000
Air Force Reserve	1,000,000
Army National Guard	2,520,000
Air National Guard	2,000,000

#### CIVILIAN PERSONNEL

Pay Raise and Locality Pay. The Administration requested a 1.6% pay raise and a freeze on locality pay. The Committee recommends an additional \$530,000,000 to fund a 2% pay raise and an average of 1.4% locality pay for civilian employees. This amount has been allocated to various operation and maintenance and research and development accounts and to the Defense Business Operations Fund.

Civilian Personnel Understrength. The Committee understands that during fiscal year 1995 there will be 24,000 fewer civilian personnel employed by the Department of Defense than presumed the budget submission. Therefore, the Committee recommends a total reduction of \$700,000,000. Operation and maintenance accounts have been reduced by approximately \$509,000,000, research and development accounts by \$51,000,000 and the Defense Business Operations Fund by \$140,000,000.

#### HEATING PLANTS IN EUROPE

Sections 9008 and 8008 of the Department of Defense Appropriations Act, 1993 and 1994, respectively, provided authority and encouraged the Secretary of the Air Force to enter into cost effective agreements for the required heating facilities in the Republic of Germany. The Committee directs the Air Force and the Army to implement the direction outlined in these provisions.

#### DEFENSE CONVERSION PROGRAMS

Defense conversion programs included in the budget request have been transferred to the Defense Conversion and Reinvestment Account.

#### MILITARY CHILD CARE

The Committee is encouraged by the success of the Army's incorporation of the Sesame Street Preschool Education Program into the military child care centers and recommends continued support. The Committee recommends the Navy and the Air Force also utilize this program as an effective educational tool for the military child care day centers as well as assisting family involvement. The Committee recommends the Secretary of Defense to provide a report to the Defense Committees on the use of the Sesame Street Preschool Education Program as prescribed in the Fiscal Year 1995 National Defense Authorization Bill.

#### SUPPORT TO NON-GOVERNMENTAL ORGANIZATIONS

The Committee continues to note significant Department of Defense participation in conventions, conferences, seminars, and symposia sponsored by non-governmental organizations, especially national military associations and professional and technical organizations. The Committee also notes the Department has taken little action, despite direction to do so, to reduce expenditures for these activities.

To provide better visibility in this area the Committee directs the Department to implement a system to track the costs related to support of and participation in conventions, conferences, seminars, and symposia sponsored by non-governmental organizations, to include participation in training and professional development activities. Data produced should capture those costs associated with travel, per diem, and registration fees for speakers, participants, and attendees; construction, preparation, and presentation of displays or exhibits; and other support provided for the aforementioned activities on non-governmental organizations.

A tracking system should be in place and operating by the end of the second quarter of FY 1995 to capture costs both by event and by supported organization. Discrete data must also be available for each Department and

component. The Committee intends to carefully review FY 1995 data by event and supported organization for all major Department elements.

#### COMBAT BOOTS

The committee has been concerned for sometime about the Department's ability to accurately forecast their requirements for combat boots. This inability has caused the few suppliers of combat boots to frequently lay off employees and then rehire and retrain as new orders are received. The committee understands that this situation will occur again if current options are not executed by July 1, 1994.

The Department is directed to review this situation immediately to see what can be done to reduce the inefficiencies and cost growth associated with these ordering irregularities. In evaluating the requirement for new boots the committee believes the department should consider replacement boots as well as those for initial issue. There have been reports that service members are allowed to buy replacement boots which do not meet the specifications required by the department for new boots. Since the boot specification is only there to ensure that the soldier is adequately protected, we cannot condone selling boots that do not meet that requirement.

The Department is directed to report to the committee by May 1, 1995 on the requirement for new and replacement boots for the next five years and what is being done to level this out to ensure a viable industrial base while providing boots at a reasonable price.

#### DEFENSE SURPLUS EQUIPMENT

The Committee has become aware of Defense Department policies that may make DoD surplus equipment available to foreign governments or entities prior to making such equipment available to Federal, state, local government entities. The Committee firmly believes that DoD policies should not place foreign governments in line first for equipment that is not of some national security interest. This is especially true in the case of surplus vehicles used for fire fighting, hazardous materials (HAZMAT) safety, and police security purposes. State and local governments have a tremendous need for this specific surplus equipment.

The Committee is aware of a serious need by the St. Tammany Parish Fire Protection District Number One hazardous material team to acquire a surplus HAZMAT vehicle. The Committee expects the Department to work with this organization to identify any surplus HAZMAT vehicles and to begin the normal process for having such a vehicle declared surplus. The Committee directs DoD to provide these type of vehicles in the future to domestic state and local governments or entities prior to providing them to foreign governments or entities. The Committee directs the Department to report back to the Committees on Appropriations by March 1, 1995 on DoD policies in this entire area and on their actions or solutions needed to comply with this Committee direction.

#### OPERATION AND MAINTENANCE, ARMY

Fiscal year 1994 appropriation	\$15,802,057,000
Fiscal year 1995 budget request	17,766,814,000
Committee recommendation	17,836,504,000
Change	+69,690,000

The Committee notes that the recommended level is \$473,763,000 above the House authorized level of \$17,362,741,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

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The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
250 Unit Training	59,000
War reserve spares	90,700

Suppl Fuel Tank	1,000
500 Backlog	248,400
C-E maint backlog	51,600
600 RPM Backlog	106,000
NTC-George AFB Airhead	2,000
Hamilton AFB Cleanup	2,000
750 Unified Commands	(9,246)
Budget Activity 3: Training and Recruiting:	
1500 Base Support	(2,300)
1600 Spec Skill Training	5,000
1700 Prof Develop Tng	(6,296)
1750 Night Vis Dev Gen III tubes	2,500
TNET	6,300
1800 RPM Backlog	50,000
Ft. Bliss Ordnance Cleanup	1,000
2050 Civ Educ & Tng	(3,000)
Budget Activity 4: Admin & Servicewide Activities:	
2350 Security Programs	(14,000)
2550 Aberdeen PG Asbestos Remov	4,700
Bine Bluff Arsenal cleanup	5,800
2700 Pentagon, MACOM Hq, FOAs	(25,000)
Mem Day & July 4 Concerts	950
Eau Claire (Presto Ind) Cleanup	7,000
Army Environ Instit	1,400
2800 Manpower Mgmt	(7,213)
3200 International Mil Hq	(29,885)
3300 Classified Prog	(5,377)
Other Adjustments:	
3587 Sep Pay & Civ Health Ben Trnsfer	(101,400)
3605 Civ Pers Understrength	(196,200)
3620 Consulting Services	(156,000)
3625 Information Technology	(133,743)
3480 Civ Pers pay raise & Locality Pay	114,000

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#### PINE BLUFF ARSENAL

The Committee directs the Army, in consultation with the Food and Drug Administration to remove Defense equipment from Pine Bluff Arsenal. An additional \$5,800,000 has been provided for this purpose.

#### INTELLIGENCE PROGRAMS

Adjustments concerning intelligence programs are discussed in the classified report which accompanies this report.

#### ARMY HIGH PERFORMANCE COMPUTING RESEARCH CENTER

The Committee understands the Army is holding a competition for future operation of the Army High Performance Computing Research Center, and is concerned about costs that may be incurred if a decision is reached to move the center from its current location. The Committee therefore directs the Secretary of the Army to ensure that any costs that may be incurred in relocating the center are included in the Army's analysis of the cost-effectiveness of the expected proposals.

#### ABERDEEN PROVING GROUND



The Committee recommends \$4,700,000 for conversion of friable asbestos into inert, non-toxic compounds at Aberdeen Proving Ground. The Committee directs that not more than \$300,000 shall be spent on purchasing or leasing conversion equipment.

#### OPERATION AND MAINTENANCE, NAVY

Fiscal year 1994 appropriation	\$19,860,309,000
Fiscal year 1995 budget request	21,176,570,000
Committee recommendation	21,316,555,000
Change	+139,985,000

The Committee notes that the recommended level is \$1,206,359,000 above the House authorized level of \$20,110,196,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 0072/0076 Insert here \*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
3950 Flying Hours	71,400
4150 Backlog	50,000
4250 RPM Backlog	100,000
New Orleans NAS & NSA RPM	6,000
4400 Ships supplies & equipage	49,000
4500 Backlog	50,000
4600 RPM Backlog	100,000
4950 Osmosis desalinators	2,500
Budget Activity 2: Mobilization: 5700 Acft Inactivation	29,600
Budget Activity 3: Training and Recruiting:	
6400 Friendly Fire/Safety Tng	5,000
Budget Activity 4: Admin & Servicewide Activities:	
7100 Pentagon, Maj Shore Comds & acty	(25,000)
7200 Civ Manpower & Pers Mgmt	(3,571)
7300 Mil Manpower & Pers Mgmt	(11,406)
7650 Logistics & technical spt	(37,095)
7950 Security Programs	(12,000)
8180 Classified Programs	(5,000)
Other Adjustments:	
8280 Civ Pers pay raise & Locality Pay	142,600
8387 Sep Pay & Civ Health Ben Trnsfer	(154,300)
8405 Consulting Services	(84,000)
8420 Information Technology	(133,743)

#### PHOTOGRAMMETRY

Two Navy shipyards approved for closure still have in house photogrammetry systems when these systems can be procured from the private sector. The Committee directs the Navy to obtain any future photogrammetric services from the private sector. Photogrammetric services currently available in Navy shipyards shall be used only to train Navy personnel on the proper use of this technology so that proper specifications can be written and the quality of work and proposals obtained from the private sector can be evaluated. The Navy shall report to the Committee on Appropriations prior to issuing any requests for proposals or expending funds for the lease or purchase of any equipment or training related to the establishment of new in house photogrammetry activities or the expansion of existing in house activities.

## INTELLIGENCE PROGRAMS

Adjustments concerning intelligence programs are discussed in the classified report which accompanies this report.

### AIRCRAFT CARRIER "INTREPID" AND VESSEL "CONSTELLATION"

The Committee directs the Navy to study the feasibility and cost effectiveness for repairing the Intrepid and the Constellation. The study shall address installing cathodic protection and refurbishing the flight deck of the aircraft carrier Intrepid, and improvements that must be made to the Constellation to stop its further deterioration. A copy of the study and recommendations should be submitted to the Committee by February 1, 1995.

### HUMANITARIAN EFFORTS IN MICRONESIA

During November of 1991, Typhoon Yuri struck the Federated States of Micronesia, resulting in the loss of the hospital vessel M/V SEA HAVEN, operated by Pacific Missionary Aviation. Since that time, medical care to the 120,000 residents of the islands of Micronesia has suffered and will only improve when the hospital vessel is replaced. Therefore, the Committee directs the Secretary of Defense to identify any surplus Navy or Coast Guard vessels which will meet the basic needs of Pacific Missionary Aviation and can be made available for conversion to satisfy a hospital mission.

### AN/UYQ-70

The Committee recommends that \$10,000,000 appropriated in the "Operation and Maintenance, Navy" appropriation be made available only for program support costs related to the fielding of the AN/UYQ-70 Advanced Display System.

### OPERATION AND MAINTENANCE, MARINE CORPS

Fiscal year 1994 appropriation	\$1,857,699,000
Fiscal year 1995 budget request	1,918,395,000
Committee recommendation	2,097,395,000
Change	+179,000,000

The Committee notes that the recommended level is \$100,300,000 above the House authorized level of \$1,997,095,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset Folio 0077/0078 Insert here \*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
8750 Unit Training	20,000
III MEF Training	5,900
8800 Osmosis Desalinators	500
8850 Backlog	57,000
8900 RPM Backlog	66,000
Cp Pendleton Underground Tanks	10,000
Cp Pendleton Environ Compl	7,700
Budget Activity 3: Training and Recruiting:	
9450 Skill Progression Training	19,000
Friendly Fire/Safety Training	5,000
Budget Activity 4: Admin & Servicewide Activities:	
10150 Family Support Prog & Child Care	13,000
Other Adjustments:	

10375 Sep Pay & Civ Health Ben Transfer	(32,000)
10440 Civ Pers pay raise & Locality Pay	6,900

#### CAMP LEJEUNE LITTORAL WARFARE TRAINING CENTER

The Committee is aware of the Marine Corps effort to establish a much needed center for Littoral warfare at Camp Lejeune, North Carolina. The Committee believes this center is important and will provide a training capability which is critical to the likely employment locations for our Marines today. The Department is requested to provide their plan to develop this center along with a funding profile by January 31, 1995.

#### OPERATION AND MAINTENANCE, AIR FORCE

Fiscal year 1994 appropriation	19,093,805,000
Fiscal year 1995 budget request	19,026,623,000
Committee recommendation	18,913,050,000
Change	-113,573,000

The Committee notes that the recommended level is \$179,592,000 above the House authorized level of \$18,733,458,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 0080/0084 Insert here \*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
10850 Advanced Combat Exercises	70,000
Increase B-52 acft to 74	69,700
Depot Maintenance backlog	90,000
11100 RPM Backlog	61,800
Canon AFB RPM dorms & runway	2,200
Upgrade storage tanks, Scott AFB	2,200
11200 Cheyenne Mtn transfer to R&D	(41,500)
11600 Launch Vehicles	(32,000)
11825 Satellite Control Network	(144,719)
Budget Activity 2: Mobilization: 12000 Depot Maintenance backlog	60,000
Budget Activity 3: Training and Recruiting:	
12550 Base support	(8,478)
12750 Advanced degrees	(3,042)
12850 RPM Backlog	20,000
Budget Activity 4: Admin & Servicewide Activities:	
13450 Servicewide Transportation	(30,084)
13600 Pentagon, MAJCOM Hq, FOAs	(25,000)
13900 Oth Servicewide Activities	(39,907)
14000 Civil Air Patrol	3,800
14150 Security Programs	(13,540)
14330 Classified Programs	(17,803)
Other Adjustments:	
14335 Sep Pay & Civ Health Ben Transfer	(3,000)
14370 Civ Pers pay raise & Locality Pay	81,400
14465 Civ Pers Understrength	(166,600)
14470 Consulting Services	(39,000)
14480 Information Technology	(10,000)

PLANT NO. 3, TULSA

The Committee directs the Air Force to make the necessary modifications to Air Force Plant No. 3, in Tulsa, Oklahoma.

#### TITAN IV TRANSFER

As discussed elsewhere in this report under Space and Related Programs, \$32,000,000 is being transferred from O&M, Air Force for Titan IV launch activities.

#### AIR FORCE SATELLITE CONTROL NETWORK

As discussed elsewhere in this report under Space and Related Programs, \$144,719,000 has been deleted from modernization of the Air Force Satellite Control Network.

#### CIVIL AIR PATROL (CAP)

The Committee has provided additional funds to fully fund the mission of the Civil Air Patrol. Additionally, a general provision is included in the bill that provides the funding level to operate the CAP.

The following table shows the breakout of funds to support the CAP:

[In thousands of dollars]			
	Fiscal year 1995 request	Recommended	Difference
CAP-USAF:			
Military personnel	7,759	7,759	
Mission support (O&M)	3,701	3,701	
CAP Operations:			
SAR/DR	2,180	2,180	
Vehicle/equipment maint	400	400	
A/C maint	1,391	1,391	
Uniforms	260	260	
Cadet exchange	250	250	
CAP staffing reorganization	0	+3,800	+3,800
Subtotal O&M	4,481	8,281	+3,800
 Aircraft	1,144	1,144	
Vehicles	787	787	
Communications	293	293	
Subtotal procurement	2,224	2,224	
 Counter-narcotics	2,600	2,600	
CAP-USAF	11,460	11,460	
CAP-operations	9,305	13,105	+3,800
 Total	20,765	24,565	+3,800

#### B-26 AIRCRAFT

The Committee directs the Secretary of the Air Force to transfer all rights, title, and interest of the Air Force in a WWII/Korean conflict B-26 aircraft, tail number 435733, to the Louisiana National Guard.

#### INTELLIGENCE PROGRAMS

Adjustments concerning intelligence programs are discussed in the classified report which accompanies this report.

#### OPERATION AND MAINTENANCE, DEFENSE-WIDE

Fiscal year 1994 appropriation	9,456,801,000
Fiscal year 1995 budget request	10,208,413,000
Committee recommendation	8,945,266,000
Change	-1,263,147,000

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 0086 to 0087 Insert here\*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below;

Budget Activity 1: Operating Forces:	(\$000)
14850 Mil-to-Mil Program	(46,200)
MacDill AFB Airfield Operations	7,000
14900 Emergent Operations	9,800
Budget Activity 3: Training & Recruiting:	
14250 Students, Courses & Demo Proj	(17,600)
15450 AFIS	(9,000)
Budget Activity 4: Admin & Servicewide Activities:	
15600 Classified & Intel Prog	(89,337)
15620 Staffing & admin support	(7,000)
15650 Auditors & Contract Admin function	(100,000)
15750 Defense Investigative Service	(6,000)
15800 PTAP	16,000
Acquisition Tng & Field Offices	(34,500)
Commercial Catalog System	1,000
Def Contract Management Comd	(400,000)
15900 Digital Nautical Charting	(4,000)
16020 Def POW/MIA Office	1,000
16150 Def Mpwr Data Ctr Transfer to OSD	(39,500)
DITRA Transfer to OSD	(4,000)
Mgmt Sys Spt Office transfer to OSD	(2,600)
16300 Transfer to Def Conversion Account	(39,127)
16350 DMDC Transfer	34,600
DITRA transfer	4,000
Fuel Cells Program	18,000
OSD Staff Operations	(18,100)
JRAP/JMRP	17,000
Nat Gas Study & Infrastructure Plng	2,200
16450 Admin & Central Svcs	(6,700)
Counterproliferation Initiatives	(30,159)

Other Adjustments:

16490 Sep Pay & Civ Health Ben Transfer	(46,000)
Trans Assist/Reloc Assist Trnsfr	(72,400)
Troops to Teachers Transfer	(65,000)
Troops to Cops Transfer	(15,000)
NG Youth Op Pilot Prog Transfer	(71,400)
Other Initiatives, Educ & Tng	(99,000)
16495 Civ Pers pay raise & Locality Pay	54,600
16670 Consulting Services	(71,000)
16560 Civilian Personnel Understrength	(73,500)
16580 Information Technology	(76,224)
16590 Scrap Russian Ships Prog	15,000

#### DEFENSE SUPPORT ACTIVITIES

The Committee notes that this account may be a place-holder for offices that are extensions of offices at the Secretariat level. The Committee directs the Department to stop this practice. Accordingly, the funding for the DMDC and DITRA has been moved from Defense Support Activities to the Office of the Secretary of Defense. Additionally, the Committee does not support funding for MSSO.

#### WASHINGTON HEADQUARTERS SERVICES

Within the Washington Headquarters Services request for fiscal year 1995 is \$30,159,000 for several counterproliferation initiatives. While the committee fully supports the counterproliferation programs of the Department of Defense, these particular programs not only appear to duplicate requests made in other accounts, the activities for which funds are requested are for research and development or procurement functions that are not appropriately financed with operation and maintenance resources. Consequently, the entire \$30,159,000 has been deleted.

#### AUDITORS AND CONTRACT ADMINISTRATION PERSONNEL

The Committee notes that there is still a large number of auditors and contract administration personnel inspecting programs and projects at plants of DOD contractors even though budgets of the investment accounts have decreased dramatically since 1985. Additionally, the budgets of Defense Contract Management Command and the Defense Contract Audit Agency continue to increase since 1985.

In view of the increasing amount of funds dedicated to inspect programs at contractor plants and significant decreases in procurement budgets in recent years, the Committee recommends a reduction in DCMC's budget of \$400,000,000 and \$100,000,000 for DCAA.

As the Department continues to downsize the military force as well as the civilian personnel workforce, the Department must periodically conduct manpower surveys to determine the appropriate level of staffing, especially for management and administrative functions. The Committee agrees that DCAA and DCMC should eliminate duplicative functions associated with contract management at Defense plants. The Committee expects the Department to immediately initiate a comprehensive manpower survey of auditing and contract administration functions, especially since the number of contracts associated with the investment accounts has been significantly reduced in recent years.

#### FUEL CELL PROGRAM

The Committee recommends \$18,000,000 to the Office of Environmental Security for the competitive, cost-shared near term Climate Change Fuel Cell program, to be administered by the National Defense Center for Environmental Excellence in coordination with and agreement of the Department of Energy, Morgantown Energy Technology Center. To achieve a workable cost-shared program that ensures significant private sector participation, the Committee directs the Federal contribution be \$1,000 per kw. The Committee further directs that the Federal share of this program, including unit cost, installation, and operation, not exceed one third of total costs, that eligible power plants must be manufactured in the United States, and that priority consideration be given to power plants planned for DOD installations.

## NATIONAL DEFENSE STORAGE STOCKPILE DEPOT, CURTIS BAY

The Committee directs the Department to accelerate the environmental cleanup of the National Defense Storage Stockpile Depot at Curtis Bay, Maryland.

## DEFENSE MAPPING AGENCY

The Defense Mapping Agency requested \$698,357,000 for operations and maintenance. The Committee recommends \$694,357,000, a decrease of \$4,000,000. Of the available funds \$1,000,000 is only for data base compilations and maintenance to support the digitization and improvement of navigational charts for the Lower Mississippi River (Gulf of Mexico to mile 233) to ensure strategic access.

## MACDILL AFB AIRFIELD

The Committee is providing \$7,000,000 to pay for airfield usage by the Central Command, Special Operations Command and Joint Communications Support Element at MacDill AFB, FL. The funds are temporarily placed in the Joint Chiefs of Staff account until the Department decides who has the responsibility to fund the use of the airfield by these commands.

## NATIONAL SECURITY AGENCY

The Committee endorses the National Security Agency's (NSA) funding request for the Historically Black Colleges and University's Program and especially for programs at Florida A&M University. The Committee encourages increased participation in the area of critical language studies.

## FAMILY ADVOCACY

The Family Advocacy program administered by the military Departments addresses child abuse and spousal abuse. Since 1989, the total number of reports of spousal maltreatment cases increased from 18,978 to 22,799 in 1993. The progress the Department has made to reduce the incidence of child abuse in the military is commendable, however, the Committee is concerned that not enough resources are devoted to the issue of spousal abuse. In light of the increased rate of spousal abuse, the Committee urges the Secretary to ensure that this important program increases its efforts to address prevention programs and assistance to victims of spousal abuse in the military.

## INTELLIGENCE PROGRAMS

Adjustments concerning intelligence programs are discussed in the classified report which accompanies this report.

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## KOREAN WAR/COLD WAR POW/MIAS

The Committee recommends \$1,000,000 for the Defense POW/MIA Office in support of archival research and declassification of government records to assist families of POW/MIAs from the Cold War and Korean War.

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## RECRUITING AND ADVERTISING

The Committee recommends \$15,000,000 for the Joint Recruiting and Advertising Program (JRAP) to support its efforts in addressing negative recruiting that all of the Services are experiencing. In addition, the Committee recommends \$2,000,000 for the Joint Market Research Program (JMRP) to fund critical annual surveys, like the Youth Attitude Tracking Study, that are underfunded in fiscal year 1995.

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## ANTILLES CONSOLIDATED SCHOOL

The Committee directs that funds made available under this Act be allocated by the Department of Defense to allow children attending the Antilles Consolidated School System during school year 1994-1995 to continue to attend this school as long as the child resides with a parent who is and remains an employee of the U.S. Customs Service and whose post of duty is Puerto Rico.



Offset folio 0094 here.

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OPERATION AND MAINTENANCE, ARMY RESERVE

Fiscal year 1994 appropriation	1,075,140,000
Fiscal year 1995 budget request	1,253,709,000
Committee recommendation	1,240,109,000
Change	-13,600,000

The total amount recommended in the bill will provide the following program in fiscal year 1995:  
The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
16900 Reserve Ctrs Repairs	1,700
Res Ctrs, Cambria & Indiana Cos. PA	300
Budget Activity 4: Admin & Servicewide Activities:	
17250 ADP	(10,000)
Other Adjustments:	
17550 Civ Pers pay raise & Locality Pay	4,700
Civilian Personnel Understrength	(10,300)

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MARCUS HOOK

Last year the Committee directed the Department to move the Army Reserve facility currently located at Marcus Hook, PA, to a location within a 100 mile radius of Marcus Hook. The Committee even provided funds to effect this move. The Committee again reiterates its position.

There are facilities at Philadelphia Naval Shipyard that can be converted to accommodate the unit. The Committee directs the Army Reserve to make plans to move this unit during fiscal year 1995.

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OPERATION AND MAINTENANCE, NAVY RESERVE

Fiscal year 1994 appropriation	763,137,000
Fiscal year 1995 budget request	827,819,000
Committee recommendation	834,119,000
Change	+6,300

The Committee notes that the recommended level is \$6,300,000 above the House authorized level of \$827,819,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset Folio 0095-96 Insert here\*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
18150 Reserve Ctrs Repairs	1,000
18550 Reserve Ctrs Repairs	1,000
Budget Activity 4: Admin & Servicewide Activities:	
18950 ADP	3,000
Other Adjustments:	
Civ Pers pay raise & Locality Pay	1,300

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OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Fiscal year 1994 appropriation	83,130,000
Fiscal year 1995 budget request	81,462,000
Committee recommendation	83,542,000
Change	+2,080,000

The Committee notes that the recommended level is \$2,080,000 above the House authorized level of \$81,462,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 0097 Insert here\*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
19650 Reserve Ctrs Repairs	2,000
Other Adjustments:	
20200 Civ Pers pay raise & Locality Pay	80

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OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Fiscal year 1994 appropriation	1,335,354,000
Fiscal year 1995 budget request	1,478,990,000
Committee recommendation	1,486,805,000
Change	+7,815,000

The Committee notes that the recommended level is \$5,473,000 above the House authorized level of \$1,481,332,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 0098 Insert here\*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
20500 C-130s, Ohio	10,000
WC-130 Weather Recon	2,015
20600 Reserve Cts Repairs	1,000
Other adjustments:	

21150 Civ Pers pay raise & Locality Pay	8,800
Civilian Personnel Understrength	(14,000)

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# OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Fiscal year 1994 appropriation	2,230,419,000
Fiscal year 1995 budget request	2,447,148,000
Committee recommendation	2,498,868,000
Change	+51,720,000

The Committee notes that the recommended level is \$50,253,000 above the House authorized level of \$2,448,615,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 0099 Insert here\*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
21450 LA District Youth Prog	10,000
Organiz Clothing & Equip	23,100
21650 Armories Repairs	2,000
Calumet, MI, Armory repairs	120
Armories Repairs: Valparaiso, Gary & Hammod, IN	400
28th Inf Div Training Range	1,500
Budget Activity 4: Admin & Servicewide Activities:	
21850 ADP	4,500
22000 National Guard Bureau	(3,100)
Other Adjustments:	
22100 Civ Pers pay raise & Locality Pay	13,200

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# OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Fiscal year 1994 appropriation	2,632,298,000
Fiscal year 1995 budget request	2,780,178,000
Committee recommendation	2,797,978,000
Change	+17,800,000

The Committee notes that the recommended level is \$17,800,000 above the House authorized level of \$2,780,178,000. This amount may not be obligated or expended until authorized by law. The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 00101 Insert here\*\*\*TABLE GOES HERE\*\*\*

The adjustments to the budget activities are shown below:

Budget Activity 1: Operating Forces:	(\$000)
22400 C-130 Alert Msn, New Orleans	1,500
22500 Armories Repairs	2,000
Other Adjustments:	
22885 Civ Pers pay raise and Locality Pay	14,300

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The Committee is advised that the Air Force will establish an Air National Guard unit of six A/OA-10 aircraft at McChord Air Force Base. Accordingly, the Committee directs that \$5,000,000 of available funds in Operation and Maintenance, Air National Guard, be provided for the initial establishment of this Air Guard unit. The Committee directs the Air National Guard to budget accordingly for this unit in the FYDP.

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#### NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

Fiscal year 1994 appropriation	\$2,483,000
Fiscal year 1995 budget request	2,544,000
Committee recommendation	2,544,000
Change	0

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#### COURT OF MILITARY APPEALS, DEFENSE

Fiscal year 1994 appropriation	\$5,855,000
Fiscal year 1995 budget request	6,126,000
Committee recommendation	6,126,000
Change	0

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#### ENVIRONMENTAL RESTORATION, DEFENSE

Fiscal year 1994 appropriation	\$1,962,300,000
Fiscal year 1995 budget request	2,180,200,000
Committee recommendation	1,880,200,000
Change	-300,000,000

The Committee recommends \$1,880,220,000 for the Defense Environmental Restoration Account (DERA), a reduction of \$300,000,000 to the fiscal year 1995 budget request. The Committee remains concerned by the uncertainty that surrounds the requirements process for environmental clean-up of Defense Department bases and installations as well as formerly used defense sites. With the impact of Superfund reauthorization on Defense Department clean-up requirements unclear at this time, the Committee believes that the Department's ability to obligate the fiscal year 1995 funds requested for environmental clean-up is in question. The Committee makes this recommendation without prejudice and believes that the funding provided will enable the Department to continue with its environmental efforts at an adequate pace.

The Committee also urges the Department to place a higher priority on funding environmental conservation programs in future year budget requests. Finally the Committee commends the Department for its leadership in the newly-undertaken biodiversity initiative, and encourages continued support from DOD and the Military Departments.

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#### OTTUMWA AIRPORT ASBESTOS REMOVAL

The Committee directs the Defense Department to expedite the removal of asbestos and demolition of obsolete buildings from the Ottumwa Industrial Airport, Ottumwa, Iowa as directed in the fiscal year 1994 Defense Appropriations Bill.

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#### WALKER AIR FORCE BASE

The Committee is aware of the Army Corps of Engineers' efforts to investigate and determine the source of underground contamination at the old Walker Air Force Base near Roswell, New Mexico. The Committee supports an expedited determination of the source of underground contamination and immediate remediation in the event that the Air Force Base is determined to be the source of the problem.

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## HUMANITARIAN ASSISTANCE

Fiscal year 1994 appropriation	\$48,000,000
Fiscal year 1995 budget request	71,900,000
Committee recommendation	60,000,000
Change	-11,900,000

The Committee recommends partially funding the budget request of \$48,000,000. The Committee agrees to provide \$12,000,000 for landmine clearance as part of a humanitarian assistance program to other nations.

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## SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

Fiscal year 1994 appropriation	.....
Fiscal year 1995 budget request	.....
Committee recommendation	+\$7,900,000
Change	+7,900,000

The Committee recommends an appropriation of \$7,900,000 for support of international sporting competitions. These funds will be used for expenses of logistical support and personnel services provided by the Department of Defense for the 1995 Special Olympics (\$1,500,000), the 1996 Games of the XXVI Olympiad (\$2,000,000), and the 1996 Paralympics (\$4,400,000).

The Committee has recommended a new appropriation account in lieu of individual appropriations as in previous years. In addition, the Committee is aware of the existence of unobligated and unexpended monies from prior year appropriations for these Games, and recommends Section 8104 of the General Provisions that extends the availability of these prior year funds until expended.

The Department is directed to follow normal reprogramming procedures for funds appropriated in this account.

Last year, the Committee directed that the fiscal year 1995 budget request shall include an exhibit, by event, on the fiscal year 1992 and 1993 actual expenditures, and the fiscal year 1994 and 1995 estimate of expenditures. Also, the budget exhibit should include a breakout, by event, of the types of expenditures DoD is providing, such as communications, security, transportation, etc. This information was not provided in the justification books presented to the Congress. The Committee expects to see this information included in the fiscal year 1996 budget justification books.

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## FORMER SOVIET UNION THREAT REDUCTION

Fiscal year 1994 appropriation	\$400,000,000
Fiscal year 1995 budget request	400,000,000
Committee recommendation	0
Change	-400,000,000

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## BUDGET REQUEST

In the fiscal year 1992 supplemental appropriations act, the Congress provided \$400 million in transfer authority for costs associated with the destruction of weapons of mass destruction of the former Soviet Union. In fiscal year 1993, the Congress extended this authority for an additional year and added an additional transfer authority of \$400 million. In fiscal year 1994, the Congress provided \$400 million in direct appropriations and extended for an additional year the \$400 million in transfer authority provided in fiscal year 1993. In fiscal year 1995, DOD has requested an additional \$400 million in direct appropriations and an additional \$215 million in transfer authority.

Despite the fact that a total of \$1.2 billion in transfer authority and direct appropriations have been provided through fiscal year 1994, as of June 1, total obligations have only reached \$222 million. If the fiscal year 1995 request for another \$615 million in transfer authority and direct appropriations is granted, a total of \$1.815 billion in authority will have been provided. However, at the end of fiscal year 1995, the total program obligations are only projected to

be \$847 million. The Committee strongly supports the intent of this program but has not provided either the transfer authority or the direct appropriations requested in fiscal year 1995 due to a lack of financial requirement.

The Committee is concerned that the Department is not complying with specific guidance provided by this Committee as a part of the enactment of the fiscal year 1994 appropriation. For example, the DOD was directed to work with the National Academy of Sciences because of its existing technology and linguistic expertise and its ongoing contacts in the states of the former Soviet Union. However, DOD has chosen to ignore this direction and is in the process of setting up duplicate organizations that have no proven track record. In addition, the Committee believes that DOD has expanded the program beyond the important and narrowly focused elimination of weapons of mass destruction that was the original intent of the program. While DOD was provided appropriations authority to make grants, no funds were appropriated to give to third parties who would independently award grants that the U.S. government had no control over. Finally, the Committee questions the requirement for continued financing of the operations of the International Science and Technology Centers by DOD since it would appear more properly to be the funding responsibility of the National Science Foundation.

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#### INSPECTION COSTS OF THE STATES OF THE FORMER USSR

DOD has requested authority to reimburse certain states of the former USSR for expenses related to the Treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles, and the Treaty on the Reduction and Limitation of Strategic Offensive Arms. Under the terms of the original treaties, the U.S. has no responsibility for incurring such costs. To the extent that subsidies are required by the states of the former Soviet Union, funding should be requested in the appropriate foreign assistance act. The requested provision has not been included in this bill.

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#### PROJECT JEDI

Project JEDI is a Joint Economic Development Initiative between several technology and defense establishments in the former Soviet Union and several organizations in the United States. The Committee requests that the Secretary of Defense review the JEDI program for eligibility for funding within the fiscal year 1994 funds already appropriated.

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#### CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING AND PEACE ENFORCEMENT ACTIVITIES FUND

Fiscal year 1994 appropriation	0
Fiscal year 1995 budget request	\$300,000,000
Committee recommendation	0
Change	-300,000,000

The Committee agrees that payments to the United Nations for international peacekeeping and peace enforcement activities fall under the jurisdiction of Commerce, Justice, State and the Judiciary Appropriations Subcommittee. Therefore, the Committee denies the request.

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#### TITLE III PROCUREMENT ESTIMATES AND APPROPRIATION SUMMARY

The fiscal year 1995 Department of Defense procurement budget totals \$42,698,919,000. The accompanying bill recommends \$43,018,433,000 in new budget authority. The total amount recommended is an increase of \$319,514,000 above the fiscal year 1995 budget estimate, and is \$1,644,645,000 below the total provided for fiscal year 1994. The Committee recommendation includes \$796,200,000 for National Guard and Reserve Equipment, all of which was unbudgeted. The table below summarizes the budget estimates and the Committee's recommendations:

## MUNITIONS INDUSTRIAL BASE THE SITUATION

In last year's report, the Committee noted its concern about the deteriorating industrial base for the development and manufacture of munitions. The Committee identified the challenges in rationalizing the downsizing of the industrial base and requested the Office of the Secretary of Defense to prepare a plan to address this situation. The Department's response, while not a plan, was nonetheless useful in understanding the industrial base situation. Numerous studies and analyses have come to the same conclusion: there is a munitions industrial base problem and it needs to be fixed. The most noteworthy of these efforts include the following:

**Army Conventional Ammunition Functional Area Analysis.**-Early this year, the Army completed a "Functional Area Analysis" (FAA) of conventional ammunition. This effort resulted in part from an earlier Army Material Command survey of the Army industrial base which found ammunition to be the weakest sector. Unlike other industrial base sectors, there were no indications that the situation for ammunition would improve. The FAA was a "soup to nuts" treatment of the issue, looking at requirements, stockpile, management and industrial base. The FAA identified shortfalls in replenishment capability, modernization, training ammunition drawdowns, and the industrial base generally. The Committee views the FAA as the most comprehensive analysis of the ammunition industrial base in years and an essential tool for future munitions planning. The Army is commended for the comprehensive nature of the FAA and for its reasoned approach to the host of issues associated with conventional ammunition.

**Department of Defense Report to Congress on the Munitions Industrial Base.**-On April 29, the Office of the Secretary of Defense submitted its response to the Committee's direction of last year. While the report concluded that the conventional munitions industrial base was being reduced in a rational manner through the Army's AMMO FAST 21 Strategy, it also agreed with the shortcomings identified in the Army's FAA. It specifically identified the artillery industrial base (to include prop charges) as a problem and expected this problem to be remedied in future budget submissions.

**Munitions Industrial Base Task Force.**-Last year, a representative cross-section of munitions manufacturers formed the Munitions Industrial Base Task Force to do a detailed analysis of the industry, identify weaknesses, and propose solutions. The work of this group has been invaluable to the Committee and others in understanding the present situation. In testimony before Congress this year, the Task Force president declared that "the munitions industrial base is in crisis".

## COMMITTEE RECOMMENDATIONS

The Committee has considered these and many other reports, as well as Congressional testimony and other information. The Committee recommends a major initiative to begin to address the munitions industrial base in fiscal year 1995. The total additional funding recommended to implement this initiative is \$400 million above the budget. The Committee believes that the recommended level is sustainable and will support a responsive industrial base. The committee expects the Department to maintain this funding level in future budgets. The initiative consists of the following elements:

1. **Munition Procurement Funding.** The Committee recommends an increase of \$310.5 million above the budget for procurement of ammunition. These increases focus on inventory modernization and training.

**Inventory Modernization.**-The Army's FAA identified eighteen ammunition items needed for inventory modernization but found that only five of them were scheduled to be procured in future year budgets. The Committee's recommendations fund procurement of fourteen of these items. The remaining four items have experienced technical problems or are still in development.

Training.-The Army's FAA found that inventories of ammunition items that are used both for training and war reserve were being drawn down too low. In many instances, these inventories could not be replenished in time to satisfy wartime contingencies. As a result of this finding, the Army has changed its policy on such drawdowns and proposed to implement the new policy in fiscal year 1996. The Committee's recommendations will help implement this change in fiscal year 1995.

2. Demilitarization. The current inventory of obsolete or unusable ammunition now stands at more than 400 million short tons and has been increasing significantly in recent years. With no program to dispose of these items, the backlog will increase to 600 million short tons by 1999. Maintenance of this stockpile consumes tens of millions of dollars each year, dollars that could be spent on other, productive purposes. In addition, this inventory occupies bunkers which are often needed to store other things.

The Committee commends the Department for increasing the ammunition demilitarization budget to \$95 million in fiscal year 1995, a 36 percent increase over the \$70 million funded last year. The Committee recommends funding of \$110 million for this program and expects the Department to continue this level in future budget submissions. At this level of funding, the backlog will decrease to a sustainable level of about 100 million short tons early in the next century.

3. Layaway. Ammunition production facilities and equipment not needed for current productions but needed for future production must be carefully preserved. Ammunition production facilities and equipment unneeded both now and in the future need to be disposed. Funding shortfalls have prevented both of these activities from being carried out effectively. This results in needed equipment being allowed to deteriorate and unneeded equipment being unnecessarily kept on the books. The rational downsizing of the ammunition industrial base demands careful attention to proper care and preservation of needed facilities and expeditious disposal of unneeded facilities. Yet the budget for this activity decreases from \$48 million in fiscal year 1994 to \$27 million in 1995. The Committee recommends \$86 million, an increase of \$59 million.

4. Downsizing and Flexible Manufacturing. As the ammunition industrial base shrinks, it is often possible to reconfigure facilities and equipment so that producing at lower rates is economical and manufacturing different but similar items on the same line is easier. The Committee has supported projects of this nature in the past and continues to believe that they are wise investments. The Committee recommends \$60 million for "Provision of Industrial Facilities", an increase of \$16 million, to accelerate downsizing and flexible manufacturing activities.

5. Care and Maintenance. The Army's FAA identified shortfalls in operation and maintenance funding as a major problem in ammunition. This funding supports safety and security, receipt and issue, rewarehousing, inventory, surveillance, and similar activities. The current shortfall causes the Army to be unable to expeditiously process receipt and issue requests. The fiscal year 1995 budget for ammunition care and maintenance is \$388 million, a level which, for the first time, is considered "fully funded". The Committee commends this budget request and recommends earmarking it in the Operation and Maintenance, Army appropriations so that it may not be diverted to other uses. The Committee expects the Army to fully fund this budget item in future submissions.

6. CAWCF Improvements. The Conventional Ammunition Working Capital Fund (CAWCF) was established in 1982 to improve and simplify the ammunition procurement process, reduce paperwork, and reduce ammunition costs. CAWCF is a revolving fund administered by the Army as the Single Manager for Conventional Ammunition. The Committee criticized the CAWCF in last year's report and directed its Surveys and Investigations Staff to make an independent evaluation of it. The Staff found that the accounting system now in use "does not provide a sound basis for establishing fund gains or losses nor does it satisfy the management accounting needs of a multi-billion dollar operation." The process is subjective, decentralized, largely manual, and its accuracy is questionable.

In last year's report, the Committee directed the Army to report on how to shut down the Fund in an orderly manner and to offer suggestions, if it desired, on possible improvements to the Fund should it remain open. The Army's response offered no substantive changes and reflected a seeming lack of interest in making necessary corrections.

The Committee directs the Army to take steps now to close the CAWCF. No new orders are to be placed in the Fund during fiscal year 1995. The Army is directed to execute ammunition procurement with procedures used before the creation of the Fund. The Committee recognizes that this may create a cash shortfall in the Fund as current orders



are dispersed. If such a shortfall materializes, it can be financed by surcharges already funded in the fiscal year 1995 ammunition budget.

7. ARMS Loan Guarantees. Congress funded the Armament Retooling and Manufacturing Support (ARMS) program in fiscal year 1993 with \$200 million. The purpose of this program is to provide assistance to government-owned ammunition plant contractors in encouraging the use of their facilities for munition and non-ammunition manufacturing activities. Such assistance, in the form of planning, equipment reconfiguration and removal, environmental baseline studies, and regulatory waivers, help to retain skilled employment at these facilities as ammunition manufacturing requirements decline. The House recently authorized loan guarantees for the ARMS program. The Committee recommends bill language which will enable this authorization to be implemented using a portion of the previous appropriation.

8. Separate Appropriations. In the past, ammunition procurement for the Navy, Marine Corps, and the Air Force has been included as part of other procurement appropriations. This has often made it difficult to understand the total funding for ammunition procurement and has made it possible to divert ammunition procurement funds to other purposes without Congressional knowledge. The Committee recommends two new appropriations in the bill, Procurement of Ammunition, Navy and Marine Corps and Procurement of Ammunition, Air Force. Funds budgeted elsewhere, as amended by the Committee's recommendations, have been moved to these new accounts.

9. Reprogramming. The Committee restates its policy that ammunition appropriations shall not be reprogrammed to procure non-ammunition items. Furthermore, all Congressional increases in ammunition procurement funding are to be considered as items of special Congressional interest and identified as such on DoD Form 1414. No reprogramming of these items may be made without prior Congressional approval.

10. Future Budgets/Plan. The Committee directs that future ammunition procurement budgets sustain the initiatives begun this year by the Committee and be funded at levels at least as great as those in this bill. The Committee notes that both the Office of the Secretary of Defense and the Army have stated that they will address problems identified in their various studies in the fiscal year 1996 budget and POM.

The Committee further directs the Office of the Secretary of Defense to submit a detailed plan for preserving the munitions industrial base by January 30, 1995. The plan shall respond to last year's Committee direction to (1) identify the critical industrial elements (facilities, equipment, personnel, etc.), required for a viable base and then determine how cost-effectively to maintain them, and (2) identify unneeded elements of the base and determine how best to dispose of them. In addition, in order to rationalize the downsizing of the production base, the plan shall include an assessment of desired changes in law and regulations concerning competition and "breakout", the possible expanded use of the Group Technology Center concept to other ammunition component manufacturing, and the possible revision of the "restricted base producer" designation to include specific ammunition end item component producers such as metal parts.

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#### NATIONAL FOREIGN INTELLIGENCE PROGRAM

The Committee's procurement recommendations concerning the National Foreign Intelligence Program are described in detail in the classified report which accompanies this report and under Title VII.

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#### SPACE AND RELATED PROGRAMS

The Committee's procurement recommendations concerning space and related programs are described in detail in the front section of this report.

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#### COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE PROGRAMS

The Committee's procurement recommendations concerning command, control, communications and intelligence programs are described in detail in the front section of this report.

## NATURAL GAS COOLING EQUIPMENT

The Committee recommends an increase of \$18,000,000 in various accounts for continued procurement, installation and related costs of natural gas fired absorption, engine-driven, and desiccant cooling equipment. Advanced technology equipment has recently entered the market place and is now commercially available to the DoD. To maximize exploitation of these advanced technologies, the Committee directs that these cooling equipment funds be made available for the acquisition of source energy efficient cooling equipment that has been commercially available for less than two years; and directs consultation with the Department of Energy on technologies to be given priority. This is an item of special interest to the Committee.

Partly as a result of very significant Federal investment in the past, energy efficient and reliable natural gas utilization equipment is now in the early stages of production and available to the Department of Defense. This equipment is energy efficient, reliable, and environmentally benign. Its use enhances DoD compliance with national and local environmental standards, including the phase out of ozone depleting chemicals, and reduces the risk of area-wide brown and blackouts by relieving strain on local electric grids. It also enhances energy security and improves our trade balance, since the United States produces virtually all of the natural gas it uses. The Committee's recommended increases include \$5,000,000 in Other Procurement, Army, \$8,000,000 in Other Procurement, and Navy, \$5,000,000 in Other Procurement, Air Force.

## ARMORED SEDANS

The budget included procurement funding for two armored sedans for the Air Force. The Committee recommends deferral of these purchases until questions concerning cost increases and a new procurement policy are answered.

## HANDGUNS

The Committee recommends deletion of the general provision contained in appropriation bills for the last two years which limited handgun and handgun ammunition procurement to the Department of Defense standard 9mm variety. This action is taken because the three services have finally agreed to follow longstanding Committee direction for standardization. The Committee will reinstate this provision if the Department deviates from the standardization policy in the future.

## LAND MINE ARMS CONTROL

The Committee understands that the United States is leading an effort in Geneva to expand restrictions on the use of land mines under the Geneva Convention. There have also been proposals to negotiate international land mine export controls and to impose a moratorium on the U.S. production of land mines. The Committee believes that Congress cannot evaluate these options absent a more detailed analysis of their impact on potential U.S. military operations, and therefore directs the Secretary of Defense to prepare a report on this issue. The report shall address limits on all types of mines, including those with self-destructing/self-neutralizing features, and shall be available in both classified and unclassified versions.

## LAUNCHER RAIL CHAFF DISPENSER (LRCD)

Last year the Committee added funding to the Navy's budget request only to be used for continued procurement of the LAU-138/A launcher rail chaff dispenser (LRCD) system and continued adaptation and integration of the LAU-138/A on other Navy/USMC tactical aircraft. These efforts have provided an improved capability. Therefore, the

Committee adds \$14,000,000 to continue the program started last year. Of the funds provided, \$8,000,000 will be added to the Navy's aircraft procurement account to be used only for continued purchase of the LAU-138/A launcher rail chaff dispenser (LRCD) in fiscal year 1995; \$2,000,000 will be added to the Procurement of Ammunition, Navy and Marine Corps, Airborne Expendable Countermeasures account to be used only for chaff; and \$1,000,000 will be added to Navy R&D for AV-8B adaptation and qualification of LAU-138/A, \$2,000,000 will be added to Navy R&D for F-18C/D adaptation and qualification to include exploitation of wingtip integration of the LAU-138/A system, and \$1,000,000 will be added to Navy R&D AH-1W for adaptation and qualification of the LAU-138/A system.

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#### AIRCRAFT PROCUREMENT, ARMY

Appropriations, 1994	\$1,320,886,000
New obligational authority, 1995:	
Estimate	1,041,581,000
Recommended	1,264,198,000
Increase	222,617,000

This appropriation finances the acquisition of tactical and utility airplanes and helicopters, including associated electronics, electronic warfare and communications equipment and armament; modification of in-service aircraft; ground support equipment, components and parts such as spare engines, transmissions, gear boxes and sensor equipment. It also funds related training devices, such as combat mission flight simulators, and production base support.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

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COMMITTEE RECOMMENDATIONS  
AIRCRAFT  
C-XX AIRCRAFT

The Committee recommends \$4,000,000 for the procurement of one small turbofan C-XX medium range aircraft for the Army's medium range utility aircraft program. This procurement was not included in the budget.

This aircraft will provide efficient transportation of key command and staff personnel, as well as small parcels of critical parts and equipment during peacetime, mobilization, deployment and wartime operations. This aircraft will also be more cost effective than current turboprop aircraft for missions of over 500 nautical miles in length. This procurement should be consistent with the Army Aviation Modernization Plan.

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UH-60 BLACK HAWK HELICOPTER

The Army budgeted \$252,859,000 for procurement of 60 UH-60 Black Hawk utility helicopters. The Committee recommends \$248,359,000, a reduction of \$4,500,000. The reduction reflects a lower contract option price for engines than is assumed in the budget.

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MODIFICATION OF AIRCRAFT  
UH-1 HUEY SLEP

The Army budgeted no procurement funding for the UH-1 Huey Service Life Extension Program (SLEP). Congress appropriated \$15,000,000 to initiate procurement in fiscal year 1994. The Committee is deeply concerned that the Army has dragged its feet in obligating the funds appropriated last year and has not sought out the Army National Guard to coordinate this program as required by the Committee in House Report 103-339, last years conference report. The Committee is displeased that the Army has proposed to reprogram the fiscal year 1994 funding. The Committee rejects this reprogramming proposal and directs that the Huey SLEP program proceed as envisioned last year. The Committee directs that the fiscal year 1994 funding be made available immediately to the Army National Guard to begin work on this meritorious effort and has recommended an additional \$3 million in the National Guard and Reserve Equipment appropriation to continue this program.

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KIOWA WARRIOR MODIFICATIONS

The Army budgeted \$111,767,000 for Kiowa Warrior modifications. The Committee recommends \$110,467,000, a reduction of \$1,300,000. The reduction results from overbudgeting, based on unverified contractor estimates, for several components of the CDS upgrade.

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AHIP

The Army budgeted no funding for continued procurement of Army Helicopter Improvement Program (AHIP) aircraft modifications. The Committee recommends \$225,000,000 for 36 AHIPs, as proposed in House authorization legislation.

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SUPPORT EQUIPMENT AND FACILITIES  
AIRCRAFT SURVIVABILITY EQUIPMENT

The Army budgeted \$29,583,000 for procurement of aircraft survivability equipment. The Committee recommends \$29,000,000, a reduction of \$583,000. The reduction results from overbudgeting for economic change orders for the Aircraft Survivability Equipment Trainer (ASET IV) program.

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MISSILE PROCUREMENT, ARMY

Appropriations, 1994	\$1,094,309,000
New obligational authority 1995:	
Estimate	593,995,000
Recommended	728,095,000
Increase	134,100,000

This appropriation finances the acquisition of surface-to-air, surface-to-surface, and antitank/assault missile systems. Also included are major components, modifications, targets, test equipment, and production base support.

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PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

COMMITTEE RECOMMENDATIONS  
AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

Item	Budget request	Committee recommended	Change from request
Javelin	137,086	214,086	+83,000

OTHER MISSILES  
STINGER

The Army budgeted no funds for the production of the Stinger missile system in fiscal year 1995. The Committee recommends \$5,000,000 for the Stinger system an increase of \$5,000,000 to the budget request. The Committee directs that the Army initiate the Stinger Block I retrofit program with the additional funding provided. The Committee also directs that none of the fiscal year 1995 procurement funds for the Stinger missile system may be obligated until the Secretary of the Army has certified to the Committee that the Block I retrofit program is fully funded in the current five year defense plan.

AVENGER

The Committee notes that the budget fails to complete the anticipated multiyear procurement of the Avenger system. This situation potentially leaves as many as 83 sets of long leadtime equipment unused and a potential termination liability. The Committee strongly urges the Army to solicit additional sales of Avenger to the Marine Corps, Army National Guard, and other customers so that the unused long leadtime components can be put to a useful purpose and termination costs minimized.

HELLFIRE

The Army budgeted \$121,641,000 for procurement of 830 Hellfire II missiles. Included in the request is \$42,000,000 for long-lead material for the Apache/Longbow configuration of the Hellfire missile. The Committee recommends \$133,641,000 an increase of \$12,000,000 to the budget request and directs the Army to procure as many Hellfire II missiles as possible with the funding provided. The Committee also encourages the Army to submit future procurement budget requests for the Hellfire missile which reflect realistic production rates and thus alleviate the requirement for the Committee to address shortfalls in programs that are deliberately underfunded by the Department of the Army.

TOW II

The Army budgeted \$27,808,000 for the TOW II anti-tank missile in fiscal year 1995. The Committee recommends \$37,508,000 for the TOW II program, an addition of \$9,700,000 to the budget request. The Committee directs the Department of the Army to use the additional funding provided as well as \$18,600,000 originally budgeted

for plant closure to procure as many TOW II missiles as possible. In light of acknowledged inventory deficiencies, the Committee encourages the Army to budget for continued procurement of the TOW missile in the five year defense plan.

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#### MULTIPLE LAUNCH ROCKET SYSTEM ROCKETS

The Army budgeted no funds for procurement of Multiple Launch Rocket System (MLRS) rockets. This action was based on the Army's estimate that the current inventory of practice and tactical rockets was adequate. However, the action will cause a production line gap of about 15 months until the new extended range rocket is ready for production.

The Committee is aware of the efforts by the Army and the MLRS industrial team to find ways to minimize the financial and programmatic difficulties caused by the production gap, and commends these efforts. As a result of these efforts, the Army and the industrial team have agreed to stretch out deliveries of rockets funded in fiscal years 1993 and 1994 by reducing the production rate to 500 per month. This is the planned production rate for the new extended range MLRS rocket. The Committee notes that as recently as fiscal year 1990, rocket production was funded at 4,000 per month; production facilities are capable of producing at far greater rates than that. Despite these efforts by the Army and the industrial team, a production gap now appears to be unavoidable.

The Army has set aside \$15,000,000 from prior year procurement funds to pursue production base maintenance activities during fiscal years 1995 and 1996 while not actually producing any hardware. The Committee prefers, however, to continue rocket production at a minimum level in order to cost effectively retain key elements of the industrial base. The Committee therefore recommends \$24,400,000 which, together with the \$15,000,000 in production base maintenance funds will provide \$39,400,000 to procure reduced range practice rockets at a sustained production rate of 500 per month. The Committee directs that rocket production shall continue at no more than 500 per month as production transitions to the extended range version of the rocket.

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#### PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Appropriations, 1994	\$888,817,000
New obligational authority, 1995:	
Estimate	919,786,000
Recommended	1,001,873,000
Increase	82,087,000

This appropriation finances the acquisition of tanks; personnel and cargo carriers; fighting vehicles; tracked recovery vehicles; self-propelled and towed howitzers; machine guns; mortars; modifications of in-service equipment; initial spares; and production base support.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

COMMITTEE RECOMMENDATIONS  
MODIFICATION OF TRACKED COMBAT VEHICLES  
BRADLEY FIGHTING VEHICLE MODIFICATIONS

The Army budgeted \$72,512,000 for Bradley Fighting Vehicle modifications. The Committee recommends \$65,012,000, a net reduction of \$7,500,000. The recommendation includes an increase of \$13,100,000 over the budget to be used only for the procurement of three battalion sets of interchangeable spares kits for Bradley AO vehicles to give them the capability to fire and guide the TOW 2 family of missiles.

The recommendation also includes a decrease of \$20,600,000 for procurement of engines and high survivability modification kits. The Committee is informed that these items cannot be installed until the middle of fiscal year 1997 and that procurement can be deferred until fiscal year 1996.

FAASV PIP TO FLEET

The Army budgeted \$16,125,000 for modification kits for a Product Improvement Program for the Field Artillery Ammunition Support Vehicle. The Committee recommends \$9,953,000, a reduction of \$6,172,000. The reduction consists of fielding costs of \$1,216,000 which are excess to requirements and installation costs of \$4,956,000 which are also excess to requirements.

IMPROVED RECOVERY VEHICLE

The Army budgeted \$17,141,000 for the procurement of 6 Improved Recovery Vehicles. The Committee recommends \$42,500,000, an increase of \$25,359,000, for the procurement of 20 vehicles. Congress appropriated \$31,200,000 in fiscal year 1994 for the initial low rate procurement of 13 vehicles. The Army has stated its belief that procurement of 20 vehicles makes good business sense because it allows for a steady production build-up. The Committee has been a strong supporter of this program in the past; the vehicle fills a major deficiency in the armor forces, a deficiency that was made clear during Operation Desert Shield/Desert Storm.

MI ABRAMS TANK MODIFICATIONS

The Army budgeted \$40,291,000 for M1 Abrams tank modifications. The Committee recommends \$36,291,000, a reduction of \$4,000,000. The reduction is applied to installation costs which are excess to requirements.

ABRAMS UPGRADE PROGRAM

The Army budgeted \$122,156,000 for the Abrams tank upgrade program and an additional 52,973,000 in advance procurement. The Committee fully supports the budget estimate. The Committee notes that Phase II of the program is scheduled to begin next year and continue at a rate of 120 tank upgrades per year. The M1 tank procurement was originally made under a series of multiyear contracts. The Committee believes that this procurement strategy has proven to be successful and cost-effective and encourages the Army to consider it for Phase II of the upgrade program.

ABRAMS ENGINE SUSTAINMENT

The Committee recommends \$15,000,000 for the Abrams engine sustainment program. These funds, and any residual funds from the \$17,000,000 appropriated last year, are to be used to implement the recommendations of the recently submitted Blue Ribbon Panel of the Defense Science Board. Specifically, the funds are for system technical support and engineering support, engine durability upgrade efforts, and plant rightsizing. In addition, the Army is directed to pursue a progressive dual use lease for the Stratford Army Engine Plant.

VEHICLE INTERCOM SYSTEM



The Army continues to procure the Vehicle Intercom System (VIS), a non-developmental item replacement for the obsolescent AN/VIC-1 system currently deployed with the Army's tracked vehicles. The budget requests and the Committee has provided \$22,400,000 for VIS procurement, for retrofit into the M1, Bradley, and M113 and the Army is directed to fund these programs as requested. The Army, counter to previous plans and Congressional direction, appears to have changed the VIS procurement plan for the M1 tank and now plans to modify only a portion of the Abrams inventory. The Committee disagrees with this change and directs the Army to revise its procurement plans to include VIS retrofit into all M1A1 and M1A2 models. The Army shall report to the Committee by March 15, 1995, detailing the quantities, schedule and funding for the revised VIS acquisition plan for the M1 and all other tracked vehicles.

#### SUPPORT EQUIPMENT AND FACILITIES SPARES AND REPAIR PARTS

The budget included no funds for procurement of spare and repair parts for tracked combat vehicles. The Committee recommends \$5,100,000 to be used only for procurement of spares and repair parts for the V903 family of engines.

#### WEAPONS AND OTHER COMBAT VEHICLES SMALL ARMS INDUSTRIAL BASE PRESERVATION

The Committee recommends the following increases in the small arms procurement budget in order to sustain and preserve the industrial base for these items and also fill unmet Army weapon requirements:

[In thousands of dollars]

Item	Budget	Recommend	Change
5.56mm machine gun (SAW)	1,816	28,616	+26,800
MK-19 grenade launcher	12,302	13,302	+1,000
120mm mortar	6,248	7,248	+1,000
5.56 carbine (M-4)	4,865	7,865	+3,000
M-16A2 rifle	-	13,000	+13,000
M-9 9mm handgun	-	9,500	+9,500

#### PROCUREMENT OF AMMUNITION, ARMY

Appropriations, 1994	\$735,445,000
New obligational authority, 1995:	
Estimate	844,644,000
Recommended	1,274,644,000
Increase	430,000,000

This appropriation finances the acquisition of ammunition, modification of in-service stock, and related production base support including the maintenance, expansion, and modernization of industrial facilities and equipment.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

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## COMMITTEE RECOMMENDATIONS

Please refer to the beginning of the Procurement section of this report for a detailed discussion of the Committee's ammunition industrial base initiative, including a description of Committee recommendations.

AMMUNITION  
INDUSTRIAL BASE INITIATIVE

The Committee recommends the following increases to the budget estimate for ammunition procurement as part of the industrial base initiative described earlier in this report:

[In thousands of dollars]						
	Budget request		Committee recommended		Change from request	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
CTG, 5.56mm, all types		73,605		84,105		+10,500
CTG, 7.62mm, all types		12,108		27,108		+15,000
CTG, 25mm, all types		21,935		46,935		+25,000
CTG, 30mm, all types		16,577		20,277		+3,700
CTG, 40mm, all types		13,441		38,441		+25,000
CTG Mortar 60mm illum M721	14	6,276	14	10,676		+4,400
CTG 120mm HEAT-MP-T M830A1	10	34,596	13	44,596	+3	+10,000
CTG ARTY 105mm HERA M913			8	25,000	+8	+25,000
PROJ. ARTY 155mm M795			120	69,000	+120	+69,000
Demolition munitions, all types		23,356		93,356		+70,000
Grenades, all types		4,167		15,167		+11,000

120MM MORTAR AMMUNITION

The Army budgeted \$21,698,000 for procurement of 120mm smoke ammunition. The Committee fully supports this request and recommends an additional \$30,000,000 above the budget for procurement of 120mm high explosive ammunition.

The Army has a continuing requirement for 120mm mortar HE ammunition. The Committee has been informed by the Army that there is a possibility of a several month break in 120mm mortar ammunition production following production of the HE rounds already funded and the 120mm mortar smoke rounds requested in the budget. The Committee's recommendation is intended to avoid this situation. In conjunction with this procurement, the Army is directed to take such steps as may be warranted (such as stretching out production) to avoid a line break pending further 120mm mortar ammunition procurements in the fiscal year 1996 budget. The Army is directed to report to the Committee by March 15, 1995, on the steps it will take to implement this direction.

## 60MM MORTAR AMMUNITION

The Army budgeted \$305,000 for procurement of 60mm 1/10 range practice ammunition for mortars. The Committee recommends \$5,805,000, an increase of \$5,500,000 to increase training and readiness.

## 81MM MORTAR AMMUNITION

The Army budgeted no funds for 81mm mortar ammunition. The Committee recommends \$6,400,000 for 1/10 range practice ammunition to increase training and readiness.

## 120MM HIGH EXPLOSIVE TANK AMMUNITION, M830A1

The Army budgeted \$34,596,000 for procurement of M830A1 120mm high explosive tank ammunition. The Committee recommends \$44,596,000 an increase of \$10,000,000. The production level supported by this recommendation is much lower than earlier projections but should be sustainable in future years until the inventory objective for this item is achieved.

## 120MM TANK AMMUNITION PRODUCTION

The fiscal year 1995 report of the House Armed Services Committee (H. Rept. 103-499, p. 22) directed the Army to continue load, assemble, and pack (LAP) operations for 120mm tank ammunition at the Milan Army Ammunition Plant pending a Secretarial certification. The Committee strongly disagrees with this direction since LAP operations have already been transferred to another facility beginning with the fiscal year 1994 procurement. This decision was made on a cost-effectiveness basis and the Committee supports it.

## 155MM ARTILLERY AMMUNITION, M795

The Committee recommends \$69,000,000 for initial production of the M795 155mm artillery ammunition. This new, high explosive projectile provides greater range and other improved characteristics over the projectile it replaces. Before obligating these funds, the Army is directed to provide to the Committee a cost breakout, procurement/production strategy, and funding profile for this item.

## 155MM SADARM

The Committee recommends \$30,000,000 for initial production of 155mm Search and Destroy Armor (SADARM). Before obligating these funds, the Army is directed to provide to the Committee a cost breakout, procurement/production strategy, and funding profile for this item.

## DEMOLITION MUNITIONS

The Army budgeted \$23,356,000 for demolition munitions. The Committee recommends \$93,356,000, an increase of \$70,000,000, as part of the ammunition production base initiative. The additional funds are for procurement of modernized demolition initiators, C-4, 40-pound shaped charge, and 40-pound cratering charge.

## SELECTABLE LIGHTWEIGHT ATTACK MUNITION

The Special Operations Forces (SOF) intend to contract for entry into Low Rate Initial Production (LRIP) of the Selectable Lightweight Attack Munition (SLAM) late in fiscal year 1994. The committee understands the Army is considering requesting procurement funds in FY96 for SLAM. If the Army decides to procure SLAM the committee believes the Army should consider advancing their initial procurement to combine it with the SOF request. This will provide economies of scale and the resulting reduction in unit cost. The Committee encourages the Army, if it decides to buy SLAM, to request a reprogramming action for sufficient fund to provide a combined LRIP of at least 5,000 SLAM units.

## AMMUNITION PRODUCTION BASE SUPPORT

## INDUSTRIAL BASE INITIATIVE

The Committee recommends the following increases to the budget estimate for ammunition production base support as part of the ammunition industrial base initiative:

[In thousands of dollars]

	Budget request		Committee recommended		Change from request	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Provision of industrial facilities		44,429		60,000		+15,571
Layaway of industrial facilities		26,774		86,172		+59,398
Conventional ammo demilitarization		95,469		110,000		+14,531

## PROVISION OF INDUSTRIAL FACILITIES

The Army budgeted \$44,429,000 for provision of industrial facilities. The Committee recommends \$60,000,000 an increase of \$15,571,000.

The Committee directs that within the funds provided, \$10,000,000 is available only for a project to downsize the West Coast facility for production of large caliber deep drawn cartridge cases. This project will reduce the 375,000 per month capacity to a level consistent with current stated requirements, thereby reducing unit production costs.

## CONVENTIONAL AMMUNITION DEMILITARIZATION

The Army budgeted \$95,469,000 for conventional ammunition demilitarization. The Committee recommends \$110,000,000, an increase of \$14,531,000. The Committee expects the additional funding to accelerate the disposal of ammunition which is no longer needed or obsolete. The reduction will continue a downward trend in the backlog of this ammunition and reduce costs which are currently incurred to care for and maintain this ammunition. The Committee expects that the recommended level will be continued in future budget submissions.

The Committee directs that within the funding provided, \$1,000,000 be available only for the recycling, reuse, and disposal system at the McAlester Army Ammunition Plant and \$3,000,000 be available only for the Midwest Area Demil Facility at the Iowa Army Ammunition Plant. The funding for the facility at the Iowa Army Ammunition plant shall include a plasma arc furnace if the ongoing feasibility study supports such action.

## ARMS LOAN GUARANTEES

The Committee recommends bill language making \$43,000,000 available for costs associated with a loan guarantee program under the Armament Retooling and Manufacturing Support (ARMS) Initiative. These funds are part of the \$200,000,000 appropriated in fiscal year 1993 for ARMS. The loan guarantee program authorization is included in the House-passed Defense authorization bill for fiscal year 1995.

## OTHER PROCUREMENT, ARMY

Appropriations, 1994	\$2,892,766,000
New obligational authority, 1995:	
Estimate	2,690,233,000
Recommended	2,348,806,000
Decrease	341,427,000

This appropriation finances the acquisition of: (a) tactical and commercial vehicles, including trucks, semi-trailers, and trailers of all types to provide mobility and utility support to field forces and the worldwide logistical system; (b) communications and electronics equipment of all types to provide fixed, semi-fixed, and mobile strategic and tactical communications equipment, (c) other support equipment, such as chemical defensive equipment, tactical bridging, shop sets, and construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and nonsystem training devices. In each of these activities funds are also included for modification of in-service equipment, investment spares and repair parts, and production base support.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 00122 to 00123/00126 Insert here \*\*\*TABLE GOES HERE\*\*\*

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#### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommend ed	Change from request
All source analysis system	28,247	18,247	-10,000

#### TACTICAL AND SUPPORT VEHICLES FAMILY OF MEDIUM TACTICAL VEHICLES

The Army budgeted \$382,739,000 for the procurement of the Family of Medium Tactical Trucks. The Committee recommends \$364,639,000, a reduction of \$18,100,000. The recommendation denies procurement of 185 vehicles which are excess to the basic quantity called for in the multiyear contract. The Committee believes that procurement of vehicles under contract options beyond the basic quantity should be deferred until current production and testing problems are resolved.

#### TRUCK INDUSTRIAL BASE AND PRODUCTION PLANNING

The Committee notes that the current and future procurement quantities for the families of light (HMMWV) and heavy (PLS, HET, HEMTT, LVS) tactical vehicles are very small when compared to past procurement levels and that there is currently no program underway to replace either of these families. While it is recognized that the lower procurement levels reflect changed requirements as well as lower budgets, it is also true that unfilled requirements remain and that there may be a strong justification for retaining at least a portion of the manufacturing and engineering capability that these programs now support.

The Committee is aware that the Army and the contractors have been developing innovative approaches using requirements-type contracts to satisfy existing and emerging needs for both production and remanufacture, for active and reserve forces. This approach is in line with the Department's recommended dual use production facility strategy, including best commercial practices. Such an approach can also encourage needed downsizing and flexible manufacturing capability. The Committee applauds and encourages these efforts. The Committee requests the Army to

submit, with its 1996 budget, the investment strategy for these families of vehicles, including remanufacture and technology insertion.

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#### COMMUNICATIONS AND ELECTRONICS EQUIPMENT DEFENSE SATELLITE COMMUNICATIONS SYSTEMS

As discussed elsewhere in this report under Space and Related Programs, \$104,536,000 has been transferred from Other Procurement, Army, to Procurement, Defense-Wide.

#### MODIFICATION OF IN-SERVICE EQUIPMENT (TAC SAT)

The Army budgeted \$5,375,000 for the Modification of In-Service Equipment program. The Committee recommends an increase of \$1,000,000 only for additional anti-jam control modem upgrades to Multi-Channel Initial System (MCIS) terminals. A total of \$6,375,000 is provided for the Modification of In-Service Equipment program.

#### SINGGARS FAMILY

As discussed elsewhere in this report under Command, Control Communication, and Intelligence, \$65,600,000 has been deleted from the fiscal year 1995 SINGGARS request of \$367,382,000.

#### DIGITAL TOPOGRAPHIC SUPPORT SYSTEMS

As discussed elsewhere in this report under Command, Control, Communications and Intelligence, the Committee has deleted funds for the Digital Topographic Support Systems.

#### NIGHT VISION DEVICES

The Army budgeted \$78,362,000 for seven types of night vision devices. The Committee recommends \$77,362,000, a reduction of \$1,000,000, because of cost savings that occurred in the fiscal year 1994 program and projected costs savings for fiscal year 1995.

#### MODIFICATION OF IN-SERVICE EQUIPMENT (TAC SURV)

This line funds upgrades to the Army's FIREFINDER system, the primary target acquisition and counter-battery fire control system for field artillery. The existing inventory is based on 1970's technology and the Army has an effort underway to upgrade the system to a more modern configuration (AN/TPQ-36(V)8), which will correct numerous deficiencies identified during Operation DESERT STORM. The Army had intended to fund 59 upgraded systems, sufficient to equip Force Packages 1 and 2. However, the program submitted with the 1995 request only provides for 28 upgrades. The Committee strongly disagrees with this change and directs the Army to submit with the 1996 budget a revised program which fully equips Force Packages 1 and 2 with the upgraded AN-TPQ-36(V)8.

#### INTEGRATED MET SYSTEMS SENSORS (IMETS)

As discussed elsewhere in this report under Command, Control, Communications and Intelligence, the Committee has reduced the request for the IMETS program by \$2,004,000.

#### ADVANCED FIELD ARTILLERY TACTICAL DATA SYSTEM

The Army requested \$32,610,000 for the Advanced Field Artillery Tactical Data System. The Committee recommends \$9,810,000, a decrease of \$22,800,000. The Committee understands that the initial contract award has slipped by one year and fiscal year 1994 appropriated funds will be available for fiscal year 1995 procurement activities.

#### FIRE SUPPORT ADA CONVERSION

The Army budgeted \$13,212,000 for the conversion of two fire support systems to ADA software plus replacement of related battery computer units. Subsequent to the budget submission, the Army procured like items at a per unit cost considerably below the budgeted level. Based on anticipated savings for the fiscal year 1995 budget, the Committee recommends \$11,612,000 for Fire Support ADA Conversion program, a reduction of \$1,600,000 from the budget request.

#### ELECTRONIC EQUIPMENT-AUTOMATION

The Committee's recommendations for the Information Systems, Stamis Tactical Computer, Automated Data Processing Equipment and Reserve Component Automation System programs are included in the Information Systems Technology section of the report.

#### STANDARD INTEGRATED COMMAND POST SYSTEM

The Army budgeted \$25,085,000 for the Standard Integrated Command Post System program. The program funds shelters to house the Army Tactical Command and Control System (ATCCS). The majority of the funds are for "rigid wall" shelters. Because delivery and fielding schedules have slipped for the ATCCS program, the funds provided for "rigid wall" shelters in fiscal year 1994 have not been spent and can be applied to the fiscal year 1995 requirement. The Committee directs the Army to execute the FY 1995 program with these funds. The Committee recommends \$3,600,000 for the Standard Integrated Command Post System, a reduction of \$21,485,000 from the request.

#### PRODUCTION BASE SUPPORT (C-E)

The Army requested \$849,000 for Production Base Support •(C-E). The Committee recommends \$12,849,000, an increase of \$12,000,000 only for the procurement of industrial process and information systems equipment for the Industrial Operations Facility at the Tobyhanna Army Depot.

#### INTEGRATED FAMILY OF TEST EQUIPMENT

The Committee recommends \$58,216,000, the budget request, for the Integrated Family of Test Equipment (IFTE). The conference report accompanying the fiscal year 1994 Defense Appropriation Act directed the Army to conduct an analysis regarding IFTE and the Direct Support Electrical System Test Set (DSESTS). The Army's findings have been delayed as a result of the Army's decision to have the Army Materiel Systems Analysis Activity (AMSAA) conduct the analysis. While the Committee supports using AMSAA to ensure that a comprehensive analysis is performed, the Committee requests that a report be submitted as soon as possible. The Committee reiterates the directives in last year's conference report regarding Army acquisition of automated test equipment, IFTE, and DSESTS. The Army is directed to continue following last year's guidance and to maintain its existing policy regarding automated test equipment and the use of cost effectiveness criteria and appropriate waiver authority in making future acquisitions.

#### OTHER SUPPORT EQUIPMENT CHEMICAL/BIOLOGICAL PROTECTIVE SHELTER

The Army budgeted \$9,539,000 for the Chemical/Biological Protective Shelter program. The shelter is mounted on a HMMWV. The budget request in this line item included \$2,000,000 for the procurement of HMMVV's. Because of the availability of HMMVV's from a pool of vehicles awaiting shipping orders from the contractor's plant, the Committee recommends \$7,539,000 for the Chemical/Biological Protective Shelter program a reduction of \$2,000,000 from the budget request.

#### REFRIGERATION EQUIPMENT

The army budgeted \$4,788,000 for large scale diesel and electric refrigeration units. Because of slippage in the awarding of past contracts and the need to complete first article test before awarding the next contract, the Committee recommends \$1,900,000 for refrigeration equipment, a reduction of \$2,888,000 from the budget request.

#### COMBAT SUPPORT MEDICAL

Medical oxygen is a critical factor in the care and treatment of casualties arising from military conflicts, disasters, and humanitarian relief operations. To address this acute need, the Army Medical Department has identified a requirement for a Liquid Oxygen Production, Storage, and Distribution System (LOPSDS) to solve a significant logistical problem and to compliment other field medical oxygen systems. Based on existing NDI technology, LOPSDS supplies medical grade oxygen cost-effectively in large quantities to field hospitals throughout the operational area and is available for immediate worldwide deployment.

The Committee is advised that the Army intends to procure LOPSDS equipment with a portion of the fiscal year 1994 funds provided in the Combat Support Medical program within the Item Less Than \$2 million section. The Committee recommends that the Army procure additional LOPSDS equipment with the FY 1995 Items Less Than \$2 Million portion of the Combat Support Medical program.

The Army is directed to report to the Committee on its fiscal year 1995 acquisition plans for LOPSDS within 120 days.

#### CAUSEWAY SYSTEMS

The Army budgeted \$14,309,000 for the procurement of causeway systems. Because of past delays, the First Article Test is planned for January, 1995. Because of slippage, the Army will be procuring causeway systems in fiscal year 1995 with funds provided in fiscal year 1993. The Committee recommends no new funds for the program in fiscal year 1995.

#### TRAINING DEVICES NONSYSTEM

The Army budgeted \$99,399,000 for the continuation of procurement and upgrades for ten simulation systems. Because of test delays, problems with developmental items and/or lower than anticipated per-unit costs the Committee recommends the following adjustments to three of the ten simulation systems funded in this line item:

Program	Change from budget
Multiple Integrated Laser Engagement Systems 2000 (MILES 2000)	-\$16,500,000
Air Ground Engagement System II AGES II	-\$9,500,000
Remote Targeting System (RETS)	-\$1,600,000
Total	27,600,000

The Committee recommends \$71,739,000 for the Training Devices Nonsystem program, a reduction of \$27,600,000 from the budget request.

#### CLOSE COMBAT TACTICAL TRAINER (CCTT)

The Army budgeted \$32,038,000 for procurement in the Close Combat Tactical Trainer program. The system is also funded in fiscal year 1995 in the R,DT&E account at a level of \$52,160,000. The Committee notes that the Initial Operational Test and Evaluation for the CCTT program is not scheduled for completion until May, 1997. The Committee believes there are substantial risks in committing to procurement so far ahead of test and evaluation and recommends deferral of the funds requested for CCTT hardware, site preparation, installation and program office support.

#### OPA INITIAL SPARES

The Army budgeted \$75,650,000 for Other Procurement, Army, Initial Spares. Based on reduction to programs made elsewhere in the Other Procurement, Army account, the Committee recommends \$71,500,000 for Initial Spares, a reduction of \$4,150,000 from the request.

#### BATTLEFIELD COMBAT IDENTIFICATION SYSTEM (BCIS)



The Army budgeted no funds for the Battlefield Combat Identification System (BCIS). The purpose of the system is to minimize "friendly fire" casualties. The Committee recommends \$5,500,000 to initiate procurement of the BCIS program.

#### AIRCRAFT PROCUREMENT, NAVY

Appropriations, 1994	\$5,704,220,000
New obligational authority, 1995:	
Estimate	4,786,265,000
Recommended	4,820,442,000
Increase	34,177,000

This appropriation provides funds for the procurement of aircraft and related supporting equipment and programs. Included are funds for flight simulators and equipment to modify in-service aircraft to extend their service life, eliminate safety hazards, and improve their operational effectiveness. Additionally, spares and ground support equipment for all end items procured by this appropriation are included. Funds are also provided for procurement of material and effort for planned 1996 programs which must be ordered in 1995 due to leadtime considerations.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset Folio 00128/00129 Insert here \*\*\*TABLE GOES HERE\*\*\*

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#### COMMITTEE RECOMMENDATIONS COMBAT AIRCRAFT F/A-18 HORNET

The budget request includes \$1,032,368,000 for procurement of 24 F/A-18 aircraft in fiscal year 1995 and \$84,792,000 for advance procurement to support 24 aircraft in fiscal year 1996.

The Committee recommends \$933,968,000 for 24 aircraft in fiscal year 1995 and \$84,792,000 for advance procurement associated with the fiscal year 1996 program. The Committee recommendation reflects a decrease of \$36,000,000 in non-recurring costs and a reduction of \$62,400,000 in ancillary equipment purchases to reflect historical rates for this element of the aircraft program.

#### AH-1W COBRA HELICOPTERS

The Committee recommends procurement of 18 helicopters in fiscal year 1995, an increase of 6 to the budget request. The additional helicopters, at a cost of \$75,000,000, are for the Marine Corps reserve.

#### SH-60B ASW HELICOPTER

The budget request did not include any funding for procurement of SH-60B helicopters. The Committee recommends procurement of 7 helicopters in fiscal year 1995 at a cost of \$214,000,000. The Committee's recommendation reflects a concern that the Navy's decision to end procurement would result in a significant shortage of operational assets when the Navy begins the SH-60R remanufacture program in fiscal year 1998 and that the industrial base may not be able to adequately deal with the shortage at that time.

#### E-2C HAWKEYE

The Navy request includes \$285,759,000 for procurement of four E-2C aircraft in fiscal year 1995 and \$41,669,000 for advance procurement to support four aircraft in fiscal year 1996. The Navy cost data provided to the Committee shows a 43.5 per cent increase in airframe cost compared to the cost in fiscal year 1992. While the Committee acknowledges that some increase over the fiscal year 1992 base is reasonable, the fact that foreign military sales have prevented the production line from being shut down should mitigate the price increase. Accordingly, the

Committee recommends no more than 20 per cent increase in airframe costs and reduces the budget request by \$29,600,000.

#### OTHER AIRCRAFT HH-60H HELICOPTERS

The Navy requested \$39,895,000 for ground support equipment and other support costs associated with close out of production budgeted in previous years. The Committee recommends a reduction of \$5,000,000 to the field activities element of support costs to reflect a level consistent with historical data.

#### MODIFICATION OF AIRCRAFT F-14 SERIES MODIFICATIONS

The budget request of \$158,326,000 for F-14 modifications includes \$130,823,000 for the F-14A/B upgrade program. The Committee notes that the House-passed Defense Authorization Act for Fiscal Year 1995 specifically prohibits expenditure of any funds for the F-14A/B upgrade program and instead directs the Navy to pursue the F-14D "Strike Eagle" program. Based upon this direction, the Committee recommends no funding for the F-14A/B upgrade program and accordingly reduces the budget request by \$130,823,000 in fiscal year 1995.

#### H-1 SERIES MODIFICATIONS

The Navy requested \$95,874,000 for H-1 series modifications in fiscal year 1995. The Committee recommends \$105,874,000, an increase of \$10,000,000 to be used only for procurement of additional navigation thermal imaging systems and related support equipment for use on the Marine Corps' fleet of UH-1N helicopters. The additional money will enable the Navy to procure more of these systems in furtherance of their long-term program to extend the service life of their fleet of UH-1N helicopters. The Committee believes that commercially available, off-the-shelf systems that are in the military inventory and satisfy military mission requirements should be procured with these additional funds.

#### E-6A SERIES MODIFICATIONS

The Committee recommends a decrease of \$9,000,000 for E-6A modifications in conformance with authorization action.

#### COMMON ECM EQUIPMENT

The Navy request includes \$12,664,000 for common ECM equipment. The Committee recommends \$20,664,000, an increase of \$8,000,000 to the budget request. The additional funds are to be used only for procurement of the LAU-138/A launcher rail chaff dispenser system in fiscal year 1995.

#### WEAPONS PROCUREMENT, NAVY

Appropriations, 1994	<sup>1</sup> \$2,739,729,000
New obligational authority 1995:	
Estimate	<sup>1</sup> 2,092,671,000
Recommended	1,969,336,000
Decrease	123,335,000

<sup>1</sup>Fiscal year 1994 appropriations reduced by \$246,991,000 and fiscal year 1995 request reduced by \$307,368,000 and transferred to "Procurement of Ammunition, Navy and Marine Corps".

This appropriation finances the procurement of strategic and tactical missiles, target drones, torpedoes, guns, associated support equipment, and the modification of in-service missiles, torpedoes and guns.

#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

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#### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

Item	Budget request	Committee recommended	Change from request
Weapons industrial facilities	22,855	0	-22,855

#### OTHER MISSILES STANDARD

The Department of the Navy budgeted \$258,072,000 for the Standard missile program in fiscal year 1995. The Committee recommends \$249,072,000, a reduction of \$9,000,000 from the budget request. The Committee recommends the followings reductions to Standard missile support costs due to excessive program growth: Contractor Engineering, -\$5,000,000; Documentation, -\$1,000,000; Installation and checkout, -\$1,000,000; Tooling and Test equipment, -\$1,000,000; and Evaluation services and material, \$1,000,000.

#### DRONES AND DECOYS

The Department of the Navy budgeted no funds for drones and decoys in the fiscal year 1995 budget request. The Committee recommends \$2,000,000 only to support the continued acquisition of the Improved Tactical Air Launched Decoy system (ITALD) and encourages the Navy to budget for this system in its five year defense plan. The Committee also directs the Department of the Navy to provide the Committee with a report detailing the future acquisition strategy for the ITALD system no later than March 15, 1995.

#### SUPPORT EQUIPMENT AND FACILITIES FLEET SATELLITE COMMUNICATIONS

As discussed elsewhere in this report under Space and Related Programs, the Committee has transferred the entire \$125,480,000 requested for Fleet Satellite Communications from Weapons Procurement, Navy to Procurement, Defense-Wide.

#### TORPEDOES AND RELATED EQUIPMENT VERTICAL LAUNCHED ASROC (VLA)

The Department of the Navy budgeted no funds for the Vertical Launched ASROC anti-submarine warfare (VLA) system in fiscal year 1995, the Committee recommends \$32,000,000 for the procurement of 40 VLAs. The Committee has received past testimony from the Navy indicating the continued requirement for VLA at a minimum rate of production. It is also the Committee's understanding that the Navy intends to acquire VLA beginning in fiscal year 1996 and beyond. The additional funding provided by the Committee will bridge the gap to fiscal year 1996 and avoid a break in the VLA production line.

#### PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

Appropriations, 1994	<sup>1</sup> \$323,746,000
New obligatory authority, 1995:	
Estimate	<sup>2</sup> 439,810,000
Recommended	493,810,000
Increase	54,000,000

<sup>1</sup>Appropriated in Weapons Procurement, Navy (\$246,991,000) and Procurement, Marine Corps (\$76,755,000).

<sup>2</sup>Budgeted in Weapons Procurement, Navy (\$307,368,000) and Procurement, Marine Corps (\$132,442,000)

This appropriation finances the acquisition of ammunition, ammunition modernization, and ammunition-related material for the Navy and the Marine Corps.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

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#### COMMITTEE RECOMMENDATIONS

##### NAVY

##### AIR LAUNCHED ORDNANCE

##### MACHINE GUN AMMUNITION

The Navy budgeted \$14,181,000 for the procurement of machine gun ammunition. Included in this request is funding for 25mm PGU-32 ammunition (\$3,181,000) and 20mm PGU-27 ammunition (\$11,000,000). The Committee remains concerned about the adequacy of PGU-32 and PGU-27 inventory levels and therefore designates them as an item of special interest. No reprogramming may be made without prior Committee approval.

#### PRACTICE BOMBS

The Navy budgeted \$2,827,000 for the procurement of practice bombs. The Committee recommends \$12,827,000, an increase of \$10,000,000, as provided in House authorization legislation, only for the procurement of laser-guided training rounds.

#### AIR EXPENDABLE COUNTERMEASURES

The Navy budgeted \$12,088,000 for the procurement of air expendable countermeasures. The Committee recommends \$14,088,000, an increase of \$2,000,000 only for the procurement of LAU-138/A (Bol Chaff).

#### SHIP ORDNANCE

##### 5 INCH/54 GUN AMMUNITION

The Navy budgeted \$52,965,000 for 5 inch/54 gun ammunition. The Committee recommends \$68,965,000, an increase of \$16,000,000 only for the procurement of additional HE-CVT rounds. The Navy has informed the Committee that current 5 inch/54 gun ammunition procurements will support an annual training expenditure of 20,000 fewer rounds than requested by the fleet. The additional funding recommended by the Committee is intended to redress this problem. The Committee understands that this problem developed as a consequence of Navy budgets being developed based on fleet training consumption levels, failing to take into account a temporary reduction in training consumption ordered by fleet commanders in an effort to build war reserve inventories up to minimum required levels. The resulting procurements were insufficient to support the higher training rates desired following inventory replenishment, leading to continued cuts in training. The Navy is directed to adjust its future 5 inch/54 gun ammunition procurements to more accurately reflect fleet requirements and the procurements needed to support training.

MARINE CORPS  
.50 CALIBER AMMUNITION

The Marine Corps budgeted \$1,861,000 for .50 caliber ammunition. The Committee recommends \$6,861,000, an increase of \$5,000,000 only for the procurement of sabot-light armor penetrator (SLAP) ammunition.

81MM MORTAR AMMUNITION, ILLUMINATION

The Marine Corps budgeted \$3,227,000 for procurement of 81mm mortar illuminating ammunition. The Committee recommends \$24,227,000, an increase of \$21,000,000 as part of the Committee's ammunition production base initiative discussed at the beginning of the procurement section of this report.

SHIPBUILDING AND CONVERSION, NAVY

Appropriations, 1994	\$4,195,075,000
New obligational authority, 1995:	
Estimate	5,585,397,000
Recommended	5,471,369,000
Decrease	114,028,000

This appropriation finances the construction of new ships and the purchase and the conversion of existing ships, including hull, mechanical, and electrical equipment, electronics, guns, torpedo and missile launching systems, and communications systems.

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PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

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COMMITTEE RECOMMENDATIONS  
SHOCK-HARDENED CIRCUIT BREAKERS

The Navy's ships have become more dependent on continuity of electrical power for survivability because their combat, fire control, and other vital systems are increasingly electronic and computerized. These factors have led to a requirement for shock-hardened circuit breakers to prevent loss of power, which would leave a ship and its crew defenseless during combat conditions. The Committee is concerned that the limited number of ships being built will spread work so thin that producers of a full line of shock-hardened circuit breakers may be placed in financial difficulty. Therefore, the Committee directs the Navy to explore this issue and report on the actions necessary to ensure that a production capability for a full line of shock-hardened circuit breakers will exist in the future.

OTHER WARSHIPS  
CVN REFUELING OVERHAULS

The Navy request includes \$38,328,000 as an increment of funding required to prepare for the fiscal year 1998 refueling overhaul of CVN-68 (USS NIMITZ). The Committee supports the Navy plan to execute complex nuclear refueling overhauls in the Shipbuilding and Conversion account, but the Committee is not in the habit of providing funds for which there is not immediate need as appears to be the case here. In fiscal year 1993 the Congress provided \$6.8 million and in fiscal year 1994 the Congress provided \$31.1 million. The most recent accounting reports provided to the Committee indicate that while the Navy has obligated about half of the funds, there are only \$2,000 of disbursements. This indicates to the Committee that there has been no advance planning accomplished, nor any other progress for which disbursements are required. Based upon this lack of progress, the Committee does not recommend any additional funding for fiscal year 1995 and will evaluate the effort again in reviewing the fiscal year 1996 budget request.

## DDG-51 DESTROYERS

The budget request includes \$2,697,690,000 for procurement of three DDG-51 class destroyers. The Committee recommends \$2,607,690,000, a reduction of \$90,000,000 from the budget request.

The Committee recommended reduction includes a decrease of 60,000,000 for ordnance equipment price increases (AEGIS, Tomahawk, CIWS, and miscellaneous ordnance) which are not in line with historical trends. The Committee further recommends a \$30,000,000 reduction in the allowance for escalation to keep the value in line with previous experience.

## AMPHIBIOUS SHIPS LHD-1 AMPHIBIOUS ASSAULT SHIP

The Committee recommends \$50,000,000 for advance procurement for LHD-7. This funding, when combined with \$50,000,000 provided in fiscal year 1994, matches the authorized amount for the program.

## AUXILIARIES, CRAFT AND PRIOR YEARS PROGRAM COSTS SERVICE CRAFT

The Committee notes with concern that the Navy requested no funding for Service Craft in fiscal year 1995. The Navy has recently begun the replacement of its aging single-hulled fuel barges (YON's) with environmentally safe double-hulled YON's in compliance with the Oil Pollution Act of 1990. In order to continue meeting this requirement, the Committee recommends an appropriation of \$5,600,000 for the procurement of two double-hulled YON's in fiscal year 1995. Procuring these vessels in fiscal year 1995 will ensure continued efficiency in production, result in cost savings to the government, help to sustain the Service Craft industrial base, and ensure Navy compliance with the Oil Pollution Act of 1990.

## COASTAL MINEHUNTERS (MHC-51)

For the past several years the Committee has addressed the issue of MHC-51 and MHC-52 contract cost adjustments. The Committee views with concern the lack of progress that has been made in negotiating a fair and equitable settlement of these claims. The contractor continues to incur substantial legal fees which seriously jeopardizes his financial solvency. The Committee has suggested the use of an independent third party arbitrator to bring this issue to closure, however, the Navy has rejected this recommendation. Accordingly, the Committee directs the Navy to commence arbitration with an independent third party for claims against the Navy on the Coastal Mine Hunter Ships (MHC-51 and MHC-52) within 30 days of enactment of this legislation.

## SUBMARINE MAIN STEAM CONDENSERS

The Committee has included \$1,000,000 for preservation of the industrial base for production of submarine main steam condensers.

## OTHER PROCUREMENT, NAVY

Appropriations, 1994	\$2,994,231,000
New obligational authority, 1995:	
Estimate	3,319,418,000
Recommended	3,271,088,000
Decrease	48,330,000

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Such equipment range from the latest electronic sensors for updating our naval forces to trucks, training equipment, and spare parts.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folio 00135 to 00141 insert here

\*\*\*TABLE GOES HERE\*\*\*

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#### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommended	Change from request
Allison 501k gas turbine	8,188	7,000	-1,188
Underway replenishment equipment	22,456	20,000	-2,465
Pollution control equipment	65,867	63,867	-2,000
Reactor components	194,673	180,000	-14,673
Nuclear alterations	156,800	130,000	-26,804
Satcom ship terminals	126,363	106,363	-20,000

#### SHIP SUPPORT EQUIPMENT OTHER GENERATORS

The Navy budgeted \$9,013,000 for the "Other Generators" program. Based on the availability of funds because of lower than projected prices for equipment procured in this program in the current fiscal year, the Committee recommends \$8,013,000, a reduction of \$1,000,000 from the budget request.

#### SUBMARINE PUMP RETROFIT PUMPS

The Navy has demonstrated significant acoustic reduction of the 688 class submarine propulsion lube oil pump by at-sea testing of an improved pump retrofit kit and is in the process of procuring these kits. The committee commends this effort as a way to both enhance the survivability of the platform and also to maintain a critical part of the industrial base. There also exist the need to extend this capability to the Trident class of submarine for the same reason while preserving the capability to produce this pump in an economical manner. To accomplish this, the committee provides \$1,000,000 to procure retrofit kits for ten Trident submarines with the funding for the remaining Tridents to be requested in next year's budget request.

#### OTHER PROPELLERS AND SHAFTS

Because of the Committee's concern about the erosion of the industrial base for integrated producers of propulsion shafting, the Committee has provided \$2,000,000 for the purchase of selected machine tools and related equipment and the upgrading and installation of the equipment in order to maintain the existing industrial base.

## OTHER NAVIGATION EQUIPMENT

The Navy budgeted \$22,852,000 for the "Other Navigation Equipment" program. Because of slippage in a subprogram, the Committee recommends a reduction of \$3,000,000 for the procurement of 14 Navigation Data units. A total of \$19,852,000 is approved for the Other Navigation Equipment program.

## STANDARD BOATS

The Navy budgeted \$5,623,000 for the Standard Boats program. The Committee recommends an increase of \$4,000,000 for the Totally Enclosed Lifeboat Survival Systems subprogram.

The Committee also directs the Secretary of the Navy to obligate the \$5,030,000 appropriated in fiscal year 1993 for the procurement of totally enclosed lifeboat survival systems manufactured in the United States, by August 1, 1994.

## COMMUNICATIONS AND ELECTRONICS EQUIPMENT AN/SPS-48 RADAR

The Navy budgeted \$630,000 for the AN/SPS-48 Radar program. The committee has included funds in the past two years for the upgrade of this radar. The Pulse Doppler Upgrade (PDU) program will provide an important improvement for ship self defense by minimizing background clutter typical of littoral waters. The Committee recommends an increase of \$9,000,000 for long lead procurement for the PDU program for those radars being cross-decked to existing L-class ships. The Committee also has transferred previously appropriated funds for the Pulse Doppler Upgrade program from Other Procurement, Navy to the Navy R.D.T. & E. account.

## RADAR SUPPORT

The Navy budgeted \$8,446,000 for the Radar Support program. The committee is concerned about the industrial base for future Submarine Navigation Radar Systems. Since no funds were requested for the AN/BPS-16 Submarine Navigation Radar System in this budget, the production line is scheduled to close at the end of the year. The committee understands that the Navy is experiencing high costs in maintaining the older AN/BPS-15, which is becoming insupportable as spare parts are no longer in production. The safety of the current submarine fleet is dependent on a reliable, state-of-the-art radar when navigating in and out of ports in adverse weather conditions and during some operations at sea. The closure of the only submarine radar production line will severely impact on the Navy's ability to replace aging radars on existing submarine fleets and its ability to economically procure radars for future submarines and surface ships. Therefore, the committee recommends an increase of \$4,500,000 for the AN/BPS-16 program. A total of \$12,946,000 is provided for the Radar Support program.

## SURFACE SHIP TORPEDO DEFENSE (SSTD)

The Navy budgeted \$31,889,000 for the Surface Ship Torpedo Defense program. The Committee recommends a decrease of \$1,000,000 for support costs for the SLR-24 torpedo defense detection subprogram. A total of \$30,889,000 is provided for the SSTD programs.

## SURFACE SONAR WINDOWS AND DOMES

The Navy budgeted \$3,217,000 for the Surface Sonar Windows and Domes. The Committee recommends \$10,117,000 for the program, an increase of \$6,900,000, to enable a continued minimal production capability of this important program.

## AVIATION SUPPORT EQUIPMENT

### SONOBUOYS

Last year, the Committee requested the Navy to submit a report on sonobuoy inventories for the next five years. The request was made because of concern that some sonobuoys currently in the inventory were obsolete or beyond their useful shelf life. These sonobuoys might be included as "assets on hand" in calculating requirements and budgets,



resulting in unrecognized sonobuoy procurement requirements. The requested report was submitted to the Committee in March.

The report confirmed concerns that, while inventory estimates for planned procurement may have accounted for revised training and combat requirements, they did not adequately consider the shelf life of current inventories. According to the report, 27% of the inventory is over five years old and is unusable. The inventory shortfall in fiscal year 1997 equates to a production requirement in fiscal years 1994 and 1995 of \$200,000,000.

The report also determined that, as a result of the transition from the open ocean, deep water nuclear threat of the late 1980's to the shallow ("littoral") threat of the 1990's, sonobuoy requirements have changed from passive buoys to active buoys. Because of this, inventories of the SSQ-62 DICASS active sonobuoy, critical for targeting, are reaching dangerously low levels in the next two years.

The Committee recommends a reallocation of the fiscal year 1994 sonobuoy procurement appropriation and the fiscal year 1995 sonobuoy procurement budget to reflect the findings of this report. These actions address the shortfalls for fiscal year 1997 projected in the report, but do not entirely eliminate them. The Committee recommendations are reflected in the following table:

[In thousands of dollars]				
Item	Fiscal year 1994		Fiscal year 1995	
	Appropriation	Recommended	Budget	Recommended
SSQ-36		2,311		2,300
SSQ-53D	14,563		24,353	
SSQ-77B	34,200		28,451	
SSQ-62C		17,100		22,460
SSQ-110A	13,048	42,400	11,557	37,231
SSQ-86				2,370
Total	61,811	61,811	64,361	64,361

#### EXPEDITIONARY AIRFIELDS

The Navy budgeted \$5,561,000 for the Expeditionary Airfields program. Because of excessive cost growth in the production engineering support the Committee recommends \$4,561,000 for the program, a reduction of \$1,000,000 from the budget request.

#### ORDNANCE SUPPORT EQUIPMENT SURFACE TOMAHAWK SUPPORT EQUIPMENT

The Navy budgeted \$63,970,000 for the Surface Tomahawk Support Equipment program. Because of the availability of funds resulting from lower than expected costs for the Afloat Planning System and slippage in installation the Committee recommends \$60,670,000, a reduction of \$3,300,000 from the request.

#### LASER ARTICULATING ROBOTIC SYSTEM, PHILADELPHIA NAVAL SHIPYARD

The Committee recommends \$9,500,000 for the acquisition of the Laser Articulating Robotic System ("LARS") for use in the Propeller Shop at the Philadelphia Naval Shipyard. The Propeller Shop is the only government facility with the capacity and expertise to produce large propeller castings for all modern U.S. Navy ships and submarines. That facility as well as the Foundry which supports the shop will continue to operate at the Navy Yard after its scheduled closure in 1996.

#### TRIDENT NAVIGATION COMMONALITY PROGRAM (TNCP)

The Committee supports the Navy's efforts to maintain and upgrade the Trident I submarines with the Trident Navigation Commonality Program [TNCP]. Upgrading the Tridents with the TNCP provides a common D-5 navigation system for the entire ballistic submarine fleet, thereby reducing the cost of logistics and shore support. The Committee requests that the Navy inform the Committee of its plans for installation of the TNCP for the remaining Ohio Class Ballistic Submarines.

#### NATURAL GAS COOLING EQUIPMENT

As noted elsewhere in the report, the Committee has added \$18 million in various accounts for the Natural Gas Cooling Equipment program. Included in this total is \$8 million in the Other Procurement, Navy account. The Navy is directed to carefully review the Atlanta Naval Air Station as an installation site for this equipment.

#### PERSONNEL AND COMMAND SUPPORT EQUIPMENT COMPUTER ACQUISITION PROGRAM

The Committee's adjustment to the Computer Acquisition Program is addressed in the Information Systems Technology section of the report.

#### PROCUREMENT, MARINE CORPS

Appropriations, 1994	<sup>1</sup> \$364,461,000
New obligational authority, 1995:	
Estimate	<sup>2</sup> 422,178,000
Recommended	452,178,000
Increase	30,000,000

<sup>1</sup>Fiscal year 1994 appropriation reduced by \$76,755,000 and transferred to "Procurement of Ammunition, Navy and Marine Corps".

<sup>2</sup>Fiscal year 1995 budget reduced by \$132,442,000 and transferred to "Procurement of Ammunition, Navy and Marine Corps".

This appropriation provides the Marine Corps with funds for procurement, delivery, and modification of missiles, armament, communication equipment, tracked and wheeled vehicles, and various support equipment.

#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset Folios 00145 to 00147 Insert here \*\*\*TABLE GOES HERE\*\*\*

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#### COMMITTEE RECOMMENDATIONS MARINE CORPS EQUIPMENT ENHANCEMENT

The Committee recommends the following increases in the Procurement, Marine Corps appropriation to support unfunded high priority Marine Corps equipment items:

[In thousands of dollars]

Budget request		Committee recommended		Change from request	
Quantity	Amount	Quantity	Amount	Quantity	Amount
LAV Thermal Sights			3,000		+3,000

Single Chan Grd & Air Radio	49,030	57,030	+8,000
Night Vision Equipment	29,647	37,647	+8,000
Marine Enhancement Program		3,000	+3,000
Indoor Simulated Marksmanship Training		8,000	+8,000

#### AIRCRAFT PROCUREMENT, AIR FORCE

Appropriations, 1994	\$6,662,934,000
New obligational authority 1995:	
Estimate	6,747,599,000
Recommended	6,182,199,000
Decrease	565,400,000

This appropriation provides for the procurement of aircraft, and for modification of in-service aircraft to improve safety and enhance operational effectiveness. It also provides for initial spares and other support equipment to include aerospace ground equipment and industrial facilities. In addition, funds are provided for the procurement of flight training simulators to increase combat readiness and to provide for more economical training.

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#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

## COMMITTEE RECOMMENDATIONS

## AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

Item	Budget request	Committee recommended	Change from request
Tanker, transport, trainer system	155,163	145,163	-10,000
War consumables	26,587	18,587	-8,000

## COMBAT AIRCRAFT

## B-1B

The Air Force budgeted \$154,254,000 for continued support costs associated with the B1-B bomber acquisition program. The Committee recommends \$144,254,000, a reduction of \$10,000,000 to fiscal year 1995 budget request. The Committee notes that cost savings have resulted from the component breakout of the interim contractor support contract and makes this recommendation without prejudice.

## STRATEGIC BOMBER INDUSTRIAL BASE

The Committee expresses its serious concern that the total size and optimal composition of the strategic, long range bomber force has yet to be adequately determined by the Defense Department. The Bottom Up Review recommended that a total bomber force of 184 aircraft was required to support the execution of two near simultaneous major regional contingencies (MRC). Yet the fiscal year 1995 Air Force budget request proposes a total bomber force structure substantially lower than the stated requirement.

The B-2 aircraft is the only long range, stealthy bomber in the military inventory. The production program for the B-2 is also nearing completion, which will result in the dismantling of the B-2 industrial base. The Committee believes that the Defense Department must continue to review the bomber force structure to assure that it can support the two MRC strategy as called for in the Bottom Up Review. The Committee also believes that the Department must take responsible action to preserve the option to sustain the B-2 production base should future requirements dictate. The Committee, therefore, urges the Department of the Air Force to the extent practicable to maintain key production capabilities for the B-2 aircraft. The Committee also directs that the implementation of any B-2 industrial base sustainment plan should emphasize the acquisition of aircraft components which would support the B-2 logistical requirements if additional aircraft are not acquired.

## AIRLIFT AIRCRAFT

## C-17

The Department of the Air Force budgeted \$2,472,914,000 for the acquisition of 6 C-17 transport aircraft in fiscal year 1995. The Air Force also budgeted \$189,900,000 for advanced procurement of 8 C-17 aircraft in fiscal year 1996. The Committee recommends \$2,007,314,000 for procurement of 6 C-17 aircraft, a reduction of \$465,600,000 to the budget request. The Committee also recommends \$189,900,000 for advanced procurement the amount of the budget request.

The Committee strongly supports the Department's strategic airlift modernization plans and is encouraged by the substantial technical progress that has been achieved by the C-17 program over the past year, yet serious concerns remain regarding the program's overall affordability. The Committee also expresses its concern over the terms of the proposed C-17 settlement and has provided no funds for its implementation. The Committee is supportive of plans to acquire 6 C-17 aircraft in fiscal year 1995 and 8 in fiscal year 1996 to enable a full rate production decision in November 1995, however, in the absence of authorization legislation and specific program unit cost reduction goals, the Committee cannot endorse the proposed C-17 business settlement between the government and manufacturer at this time. The Committee will continue to work with other congressional committees and the Defense Department to ensure that a mutually acceptable settlement is implemented.

The Committee recommends the following reductions to the C-17 budget request: Settlement Costs, - \$178,000,000; Engine Settlement Cost Savings, -\$24,000,000; Hazardous Material Disposal, -\$140,000,000; Engineering Change Orders -\$39,000,000; Engine Depot Support Equipment, -\$34,600,000, Advanced Software Facility, -\$50,000,000. The Committee has also recommended a reduction of \$116,300,000 to the C-17 research and development budget request for costs associated with implementing the settlement.

The Committee also directs the Department of Defense to provide a report on its plan to reduce unit costs on the C-17 program. The report should also include a discussion of the specific affordability criteria to be utilized by the Department in making the full rate production decision for the C-17. Further the Committee directs that \$100,000,000 appropriated for C-17 productivity improvement projects shall not be obligated until the Committee has received this report.

#### C-17 ENGINE

The Committee is dismayed to learn that after expressing its concern over the escalating costs of the C-17 engine during the course of the fiscal year 1994 budget cycle, the Department of the Air Force and engine manufacturer have failed to implement any cost reduction measures for the commercial derivative C-17 engine.

The Air Force's original acquisition strategy to procure a commercially available engine for the C-17 as government furnished equipment (GFE) was intended as a cost savings measure. Not only did this strategy fail to yield the expected cost savings it in fact has resulted in significant cost increases to the C-17 engine. Further, according to the Committee's investigative staff, the Air Force has no plans to seek cost reductions to the C-17 engine.

In view of this situation and the 13 year sole source position of the present C-17 engine manufacturer, the Committee directs the Department of the Air Force to initiate the process to qualify a second source producer of the C-17 engine and competitively acquire the engine beginning with the fiscal year 1997 procurement of the C-17. The Committee has also included specific bill language to this effect in the fiscal year 1995 Defense Appropriations Act. The Committee also directs the Air Force to provide a report on its acquisition plan to implement the Committee's direction. The report shall also include a cost-effectiveness analysis of commercial vs. public C-17 engine depot support for the remainder of the program. This report shall be provided no later than April 15, 1995.

#### NON-DEVELOPMENTAL AIRLIFT AIRCRAFT (NDAA)

The Committee notes with great concern the Department's delayed acquisition plan for the Non-developmental Airlift Aircraft (NDAA) program. Given the critical shortage of strategic airlift capacity faced by the armed services, it is the Committee's belief that the Department's desire to link the acquisition of NDAA with the final production decision on the C-17 is without basis.

The Committee directs the Department of Defense to use prior year appropriations made available for the NDAA program as well as the funds provided by the Committee in fiscal year 1995 to begin the procurement of NDAA aircraft in fiscal year 1995. The Committee has also provided direction to this effect in the "Aircraft Procurement, Air Force" section of the Fiscal Year 1995 Defense Appropriations Act.

The Committee also urges the Department to budget the necessary procurement funds in the current five year defense plan to acquire sufficient aggregate airlift capacity as changes to the existing airlift fleet and new requirements emerge.

#### TRAINER AIRCRAFT

## JOINT PRIMARY AIRCRAFT TRAINING SYSTEM (JPATS)

The Air Force budgeted \$123,265,000 for initial production of the Joint Primary Aircraft Training System (JPATS). The Committee recommends \$108,265,000, a reduction of \$15,000,000 to the budget request. The Committee fully supports the JPATS program which will standardize and modernize initial pilot training in the Departments of the Air Force and Navy and urges that the production phase of the program commence without further delay.

The Committee is disturbed to learn that of the entire budget request for JPATS in fiscal year 1995 only \$13,800,000 is available for procurement of airframes and engines. The balance is requested for non-recurring program start-up costs which, given the commercial off-the-shelf nature of the program, the Committee believes to be excessive. The Committee therefore recommends the reduction of \$15,000,000 to the JPATS program.

## MODIFICATION OF IN-SERVICE AIRCRAFT STRATEGIC AIRCRAFT B-1B

The Air Force budgeted \$45,583,000 for the B1-B modification program. The Committee recommends \$30,583,000, a reduction of \$15,000,000 to the budget request. The existence of substantial unobligated program balances makes this reduction possible without affecting the execution of the modification program.

## TACTICAL AIRCRAFT TACTICAL AIRCRAFT MODERNIZATION

The Committee is concerned that there has been no comprehensive assessment, including the Bottom Up Review, of Air Force interdiction and multi-role aircraft which serve as a complement to the long range heavy bomber fleet. While robust modernization plans for the bomber and air superiority fleets proceed, the Department of Defense has yet to present a viable strategy to address future modernization requirements for its strike and multi-role aircraft forces. Accordingly the Committee directs the Secretary of Defense to provide a report on its modernization plans for the strike and multi-role tactical air force structure (i.e. F-111, F-117, F-15E, and F-16) by May 1, 1995. The report should address at a minimum:

1. The problems of near term F-16C/D and F-15E attrition shortfalls.
2. Modification plans to modernize the existing strike and multi-role fleets to maximize their combat effectiveness.
3. Plans to preserve the national capability to produce strike and multi-role fighter aircraft.
4. Alternatives if the JAST program fails to yield an affordable multi-role platform.

## F-15

The Air Force budgeted \$201,100,000 for the F-15 modification program. The Committee recommends \$186,100,000, a reduction of \$15,000,000 to the fiscal year 1995 budget request. The Committee believes that significant prior year unobligated balances may be used to execute the fiscal year 1995 modification program and makes this recommendation without prejudice.

## OTHER AIRCRAFT C-135

The Air Force budgeted \$103,440,000 for the C-135 modification program. The Committee recommends \$77,640,000, a reduction of \$25,800,000 to the fiscal year 1995 budget request. The Committee makes this recommendation without prejudice noting that the Air Force has terminated the KC-135 Multipoint Receptacle Improved Aerial Refueling System modification program subsequent to the submission of the fiscal year 1995 budget request.

## GROUND COLLISION AVOIDANCE SYSTEMS (GCAS)

For the past several years the Committee has been supportive of the requirement to acquire Ground Collision Avoidance Systems (GCAS) for Air Force aircraft. The Air Force has yet to comply with prior Congressional direction to initiate procurement of commercially available, standardized GCAS systems for the C-135 aircraft. The Committee urges the Air Force to immediately develop a competitive acquisition strategy which leads to a contract award for the GCAS systems before the end of fiscal year 1994.

It is the Committee's understanding that if such an award is not made in the suggested timeframe, prior year appropriations for the GCAS system will expire. In such an eventuality, the Committee directs the Department of the Air Force to use existing "Aircraft Procurement, Air Force" funds to initiate procurement of the GCAS for the C-135 aircraft.

#### TER-9A EJECTION RACK

The Committee is concerned that appropriations provided in the fiscal year 1994 Defense Appropriations Bill for the TER-9A ejection rack program have not been obligated in a timely manner. This program is designed to correct a safety problem with the bomb racks on the F-16 and generate substantial cost-savings through increased reliability and maintainability. The Committee therefore directs the Department of the Air Force to proceed expeditiously with this program.

#### JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)

The Air Force initiated an F-15 Fighter Data Link (FDL) Operational Special Program (OSP) at Mt. Home AFB in September 1993. The Committee understands that the results obtained since the beginning of the OSP are strongly supportive of JTIDS as a force multiplier and show that the F-15's combat effectiveness is significantly increased. The Committee therefore directs the Department of the Air Force to provide a report which addresses the results of the F-15 FDL OSP and details the Air Force's near-term plan for implementation of JTIDS in the F-15 force structure. This report should be provided no later than January 15, 1995.

#### MISSILE PROCUREMENT, AIR FORCE

Appropriations, 1994	\$3,899,170,000
New obligational authority 1995:	
Estimate	<sup>1</sup> 4,112,620,000
Recommended	2,758,285,000
Decrease	1,354,335,000

<sup>1</sup>Fiscal year 1995 request reduced by \$279,553,000 and transferred to "Procurement of Ammunition, Air Force".

This appropriation provides for procurement, installation, and checkout of strategic ballistic and other missiles, modification of in-service missiles, and initial spares for missile systems. It also provides for operational space systems, boosters, payloads, drones, associated ground support equipment, non-recurring maintenance of industrial facilities, machine tool modernization, and special programs support.

#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset Folios 00152 to 00153 Insert here \*\*\*TABLE GOES HERE\*\*\*

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#### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

Item	Budget request	Committee recommended	Change from request
Tri-service attack missile	373,875	0	-373,875

#### OTHER MISSILES HAVE NAP

The Air Force budgeted no funds for the procurement of Have Nap missiles in fiscal year 1995. The Committee recommends \$8,600,000 for the continued acquisition of Have Nap missiles. It is the Committee's belief that until the JDAM and JSOW munitions are available at the end of the decade it is crucial to have the near term precision guided munition capability for the B-52 bomber force that is provided by the Have Nap missile system.

#### ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)

The Air Force budgeted \$309,462,000 for the procurement of 413 advanced medium range air-to-air missiles (AMRAAM). The Committee recommends \$299,462,000, a reduction of \$10,000,000 to the fiscal year 1995 budget request. In making this recommendation the Committee notes the unwarranted growth of AMRAAM production support costs as well as the lack of specifically proposed projects for the AMRAAM producibility program.

#### AGM-130

The Air Force budgeted \$71,756,000 for the AGM-130 program. The Committee recommends \$69,256,000, a reduction of \$2,500,000 from the fiscal year 1995 budget request. The reduction is made without prejudice to the following: peculiar support equipment, -\$1,000,000; special tooling the test equipment, -\$1,500,000.

#### TARGET DRONES

The Air Force budgeted \$29,043,000 for the acquisition of QF-4 target drones. The Committee recommends \$17,043,000 a reduction of \$12,000,000 to the fiscal year 1995 budget request. It is the Committee's understanding that the present inventory of QF-106 target drones are not being expended at the rate originally planned and that an inventory backlog for target drones currently exists. The Committee therefore recommends this reduction without prejudice.

It is also the Committee's understanding that more economical alternatives to the acquisition of the QF-4 drone may exist. The Committee therefore directs the Department of the Air Force to provide a report on the feasibility of modifying other aircraft being retired from the active inventory for use as target drones.

#### MODIFICATION OF IN-SERVICE MISSILES MINUTEMAN III MODIFICATIONS

The Department of the Air Force budgeted \$18,284,000 for Minuteman III missile modifications. The Committee recommends \$9,284,000, a reduction of \$9,000,000 to the fiscal year 1995 budget request. It is the Committee's understanding that the cancellation of the Dual Frequency Minimum Essential Communications Network Receiver makes the budget request for this project unnecessary.

The Committee is also aware that the Air Force may be required to relocate Minuteman II rocket motors from Pueblo Army Depot. Should relocation occur, \$1,500,000 of the funds provided by the Committee for Minuteman III modifications shall be used to upgrade storage facilities at Air Force Plant 78 and for transfer of the rocket motors to that location.

#### CONVENTIONAL AIR LAUNCHED CRUISE MISSILE (CALCM)



The Air Force budgeted no funds for the modification of the existing inventory of air launched cruise missiles for conventional purposes. The Committee recommends \$29,400,000 for this program. With the additional funding provided, the Committee directs the Air Force to continue with the low-cost modification program initiated during Operation Desert Shield/Storm to convert the existing inventory of ALCM-B missiles to a conventional variant (CALCM).

It is the Committee's belief that this program is warranted in order to address near-term precision guided munitions requirements for the Bomber force prior to expected deliveries of the TSSAM, JDAM, and JSOW systems later in the decade.

#### TRANSFER OF MAJOR SPACE PROGRAMS

As discussed elsewhere in this report under Space and Related Programs, a total of \$1,285,560,000 for major space programs has been transferred from Missile Procurement, Air Force to other accounts, primarily Procurement, Defense-Wide. The programs affected by this transfer are as follows:

[IN THOUSANDS OF DOLLARS]	TRANSFER
Program	amount
Spaceborne Equip (COMSEC)	-2,092
Global Positioning (MYP)	-134,831
Global Positioning (MYP) (AP-CY)	-55,352
Space Shuttle Operations	-103,518
Space Boosters	-381,817
Medium Launch Vehicle	-120,480
Medium Launch Vehicle (AP-CY)	-28,564
Def Meteorological Sat Program	-29,159
Defense Support Program (MYP)	-363,959
Defense Satellite Comm System	-20,185
Ionds (MYP)	-35,649
Ionds (MYP) (AP-CY)	-9,954

#### SPECIAL PROGRAMS

As discussed in the classified report which accompanies this report \$341,500,000 has been added to the request of \$1,619,032,000 for Special Programs.

#### PROCUREMENT OF ADDITIONAL TITAN IV LAUNCH VEHICLES

As discussed elsewhere in this report under Space and Related Programs, the Committee has included a general provision prohibiting the use of any funds in this bill for acquisition of any TITAN IV launch vehicles beyond the current 41 already on contract.

#### PROCUREMENT OF AMMUNITION, AIR FORCE

Appropriations, 1994	<sup>1</sup> \$290,749,000
New obligational authority, 1995:	
Estimate	<sup>2</sup> 279,553,000
Recommended	278,681,000
Decrease	872,000

<sup>1</sup>Appropriated in Other Procurement, Air Force.

<sup>2</sup>Budgeted in Weapons Procurement, Air Force.

This appropriation finances the acquisition of ammunition, modifications, spares, weapons, and other ammunition-related items for the Air Force.

#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 00154 insert here \*\*\*TABLE GOES HERE\*\*\*

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#### COMMITTEE RECOMMENDATIONS 20MM TRAINING AMMUNITION

The Air Force budgeted \$18,295,000 for procurement of 20mm training ammunition. The Committee recommends \$39,295,000, an increase of \$21,000,000 as part of the Committee's ammunition production base initiative discussed at the beginning of the procurement section of this report. The increase is for procurement of PGU-28/B improved rounds.

#### 30MM TRAINING AMMUNITION

The Air Force budgeted \$23,672,000 for procurement of 30mm training ammunition. The Committee recommends \$15,500,000, a reduction of \$8,172,000. The Committee has learned that a recent recalculation of requirements has resulted in an oversupply of this ammunition and no need for a fiscal year 1995 procurement program. However, for industrial base preservation, the Committee recommendation will fund a minimum production rate to transition to an expected fiscal year 1996 procurement.

#### 25 POUND PRACTICE BOMB

The Air Force budgeted \$9,406,000 for procurement of the 25 pound practice bomb. The Committee recommends \$5,426,000, a reduction of \$3,980,000. The Committee has learned that the Air Force inventory objective will be exceeded if the budgeted procurement is executed.

#### MJU-7B FLARE

The Air Force budgeted \$16,260,000 for the procurement of MJU-7B flares. The Committee recommends \$6,540,000, a reduction of \$9,720,000, in accordance with House authorization legislation.

#### OTHER PROCUREMENT, AIR FORCE

Appropriations, 1994	\$7,637,250,000
New obligational authority, 1995:	
Estimate	7,078,253,000
Recommended	6,886,613,000
Decrease	191,640,000

This appropriation provides for the procurement of weapon systems and equipment other than aircraft and missiles. Included are vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

Offset folios 00155 to 00158 insert here \*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with House authorization action:

[In thousands of dollars]			
Item	Budget request	Committee recommended	Change from request
Automated Telecommunications Program	29,558	12,000	-17,558

#### COMMITTEE RECOMMENDATIONS VEHICULAR EQUIPMENT ARMORED SEDANS

The Air Force budgeted \$469,000 for procurement of two armored sedans. The Committee recommends denial of this request for reasons discussed at the beginning of this procurement section of this report.

#### 2.5 TON TRUCK SLEP

The Committee recommends \$10,800,000 for procurement of 200 refurbished 2.5 ton trucks under the Department of Defense Service Life Extension Program for these vehicles. This is the estimated funding level that the Air Force intended to execute in fiscal year 1995 using other funding sources. The Committee directs that these vehicles continue to be funded in the procurement appropriation in future years.

The Committee directs that the vehicles funded with the recommended appropriation be scheduled for production and delivery so as to even out the production flow and achieve the most economic unit costs.

#### GENERAL REDUCTION, MINUTEMAN II

The Committee recommends a general reduction of \$20,900,000 for vehicular equipment. The reduction is based on the findings of an Air Force Audit Agency report (42594008) which found that the Air Combat Command overstated requirements for Minuteman II support vehicles.

#### ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT AIR TRAFFIC CONTROL/LANDING SYSTEM (ATCALS)

The Air Force budgeted \$2,423,000 for the Air Traffic Control/Landing System program. Based on reduced requirements because of base closures the committee recommends \$1,000,000 for the ATCALS program, a reduction of \$1,423,000 from the budget request.

#### THEATER AIR CONTROL SYSTEM IMPROVEMENT

The Air Force budgeted \$78,774,000 for the Theater Air Control System Improvement program. Because of savings on lower than anticipated per-unit cost for work stations procured in this program, the Committee recommends \$71,174,000, a reduction of \$7,600,000 from the budget request.

#### AUTOMATED SURFACE OBSERVANCE (ASOS) PROGRAM

ASOS is a federally sanctioned program for civilian and military weather observation requirements. In fiscal year 1994 the Committee provided \$1 million to the Air Force for the initial Air Force/Army purchases of ASOS. The Committee recommends an increase of \$5,000,000 for the procurement of additional ASOS systems to meet initial requirements. The Committee also urges the Air Force to provide funding in the FYDP to meet future Air Force/Army requirements at towered and non-towered facilities.

## TRANSFER OF MAJOR SPACE PROGRAMS

As discussed elsewhere in this report under Space and Related Programs, all funding for the Defense Support Program and the Defense Meteorological Program has been transferred from Other Procurement, Air Force to Procurement, Defense-Wide.

## AUTOMATIC DATA PROCESSING EQUIPMENT

As discussed in the Information Technology Systems section of this report, the Committee recommends a decrease of \$4,189,000 in the Automatic Data Processing Equipment program.

## WWMCCS/GLOBAL COMMAND & CONTROL SYSTEM

As discussed elsewhere in this report under Command, Control, Communications and Intelligence, a reduction of \$4,200,000 has been recommended from the request of \$12,623,000 for the WWMCCS program.

## AIR FORCE SATELLITE CONTROL SYSTEMS

As discussed elsewhere in this report under Command, Control, Communications, and Intelligence, the entire request of \$25,810,000 for the Air Force Satellite Control Network has been deleted.

## THEATER BATTLE MANAGEMENT C2 SYSTEM

As discussed elsewhere in this report under Command, Control, Communications, and Intelligence, \$13,147,000 has been deleted from the request of \$45,547,000 for the Theater Battle Management C<sup>2</sup> System.

## RADIO EQUIPMENT

As discussed elsewhere in this report under Command, Control, Communications, and Intelligence, the entire \$19,618,000 provided for the Scope Command program is designated as an item of specific congressional interest.

## ANTI-JAM VOICE

As discussed elsewhere in this report under Command, Control, Communications, and Intelligence, the entire \$390,000 requested for the Anti-Jam Voice program has been deleted.

## COMMUNICATIONS ELECTRONIC MODIFICATIONS

The Air Force budgeted \$18,850,000 for Communications Electronic Modifications. Because of the availability of funds resulting from lower than anticipated costs, the Committee recommends \$18,100,000 for the Communications Electronic Modifications program, a reduction of \$750,000 from the budget request.

## OTHER BASE MAINTENANCE AND SUPPORT PROGRAM ITEMS LESS THAN \$2,000,000

The Air Force budgeted \$11,667,000 for Items Less Than \$2,000,000 in the category of test equipment. Because of lower than anticipated requirements, the Committee recommends a reduction of \$1,100,000 from the budget request.

The Committee supports the Air Force's two level maintenance concept and would like to pursue solutions which reduce turnaround time at the depots, and also reduce the numbers of components evacuated unnecessarily to the depot-reducing spares inventory requirements.

The Committee is aware of an NDI system available in industry called the Organizational Maintenance System. It consists of a Universal Hydraulics Test System and a Digital Multimedia Information System. The Committee

recommends an increase of \$100,000 to evaluate the cost-saving potential of this system. The Committee recommends a total of \$10,667,000 for Items Less Than \$2,000,000 in Other Base Maintenance and Support.

#### CHEMICAL/BIOLOGICAL DEFENSE PROGRAM

The Air Force budgeted \$7,736,000 for the Chemical/Biological Defense Program. Because of slippage in contracting the Committee recommends \$7,000,000 for the program, a reduction of \$736,000 from the budget request.

#### DEPOT PLANT AND MATERIALS HANDLING EQUIPMENT ITEMS LESS THAN \$2,000,000

The Air Force budgeted \$4,304,000 for Items Less Than \$2,000,000 in the category of Depot Plant and Materials Handling Equipment. Included in the request was \$1,000,000 based on a March 1993 requirement for a heat treatment furnace. Since this requirement has been withdrawn, the Committee recommends \$3,304,000, a reduction of \$1,000,000 from the budget request.

#### MOBILITY EQUIPMENT

The Air Force budgeted \$12,807,000 for the Mobility Equipment program. A wide variety of equipment such as refueling systems, runway repair systems and revetments are procured in this program. The Air Force has encountered slippage in two of the subprojects in this program. Because of problems with the technical package for runway repair kits, the Committee recommends a reduction of \$2,400,000 for that subproject. Because of slippage in contracting for the revetment subproject, the Committee recommends a reduction of \$1,900,000. A total of \$8,507,000 is recommended for Mobility Equipment, a reduction of \$4,300,000 from the budget request.

#### ITEMS LESS THAN \$2,000,000

The Air Force budgeted \$18,244,000 for twenty-two subprograms in the Items Less Than \$2,000,000 in the category of Base Support Equipment. Because of changed requirements since the budget was submitted and reduced prices for other items in this program, the Committee recommends \$12,144,000 for Items Less Than \$2,000,000 a reduction of \$6,100,000 from the budget request.

#### SELECTED ACTIVITIES

As discussed in the classified report which accompanies this report, a reduction of \$69,900,000 has been made for Selected Activities.

#### PROCUREMENT, DEFENSE-WIDE

Appropriations, 1994	\$1,810,039,000
New obligational authority, 1995:	
Estimate	1,744,916,000
Recommended	3,020,616,000
Increase	1,275,700,000

This appropriation provides for the procurement of capital equipment for the Defense Communications Agency, the Defense Logistics Agency, the Defense Mapping Agency, and other agencies of the Department of Defense. The 1995 program includes procurement of automatic data processing equipment, mechanized materials handling systems, general and special purpose vehicular equipment, communications equipment, and many other items.

#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:  
Offset Folios 00159/00161 insert here \*\*\*TABLE GOES HERE\*\*\*

#### BALLISTIC MISSILE DEFENSE ORGANIZATION

##### NAVY TMD

The Ballistic Missile Defense Organization (BMDO) requested \$14,496,000 for Navy theater missile defense. The Committee recommends that these funds be denied, which is consistent with the direction of the House Armed Services Committee. Elsewhere in this report, the Committee directs BMDO to reconsider the technology used in Navy theater missile defense. Therefore, the Committee denies funds for initiating procurement of the system.

#### SPECIAL OPERATIONS COMMAND C-130 MODIFICATIONS

The budget request is reduced by \$7,300,000 because prior year funds are available to finance a contract target/ceiling differential for the center wing replacement modifications.

The Committee directs that \$15,000,000 of the funds requested for MC-130H Combat Talon II modification shall not be committed or obligated until completion of a program review.

#### MH47/MH-60 MODIFICATIONS

Absent justification for specific aircraft improvements, the request for \$4,700,000 for future unspecified engineering change proposals is denied. Additionally, \$2,500,000 requested for multi-mission radar production software shall not be committed or obligated until SOCOM fully explains the apparent change in radar requirements for these aircraft.

#### PATROL CRAFT, CYCLONE CLASS

The Committee agrees to provide an additional \$5,800,000 to settle claims regarding the patrol craft.

#### 40MM FUZES

SOCOM is directed to immediately initiate the refuzing of the PGU-9A/B, 40mm ammunition round in order to correct a serious safety of flight problem currently facing the aircrews of the AC-130 Gunships.

#### MAJOR SPACE PROGRAM FUNDING

As discussed elsewhere in this report under Space and Related Programs, a total of \$1,187,861,000 in procurement funding for major space programs has been transferred to Procurement Defense-Wide. The following table details these transfers.

Program	Transfer amount (\$000)
Defense Satellite Communications Systems (ARMY)	104,536
Fleet Satellite Comm (MYP)	125,480
Spaceborne Equipment (COMSEC)	2,092
Global Positioning (MYP)	134,831
Global Positioning (MYP) (AP-CY)	55,352
Space Shuttle Operations	103,518
 Space Boosters	 29,000
Medium Launch Vehicle	120,480
Medium Launch Vehicle (AP-CY)	28,564
Def Meteorological Sat Prog	29,159

Defense Support Program (MYP)	363,959
Defense Satellite Comm System	20,185
Ionds (MYP)	30,649
Ionds (MYP) (AP-CY)	9,954
Defense Support Program	15,102
Defense Meteorological Sat Prog	15,000

#### DEFENSE SUPPORT PROGRAM

At the request of the Air Force \$9,000,000 has been added in procurement funds and deleted from research and development funds for the Defense Support Program.

#### NATURAL GAS VEHICLES

The Committee recommends \$10,000,000 for the Office of Environmental Security for procurement of natural gas vehicles (NGVs) to continue the DOD fleet conversion program that implements the Energy Policy Act and Executive Orders to accelerate purchase of alternatively fueled vehicles.

The Clean Air Act Amendments of 1990 encourages and the Energy Policy Act of 1992 requires increasing use of alternatively fueled vehicles by Federal fleets, particularly those operating in National Ambient Air Quality Nonattainment Areas. Executive Orders 12759 (April 17, 1991) and 12844 (April 21, 1993) accelerate the timetable for purchase of alternatively fueled vehicles. The DOD is the Federal Government's major motor vehicle fleet manager and is planning to comply with these Executive Orders and environmental standards in part through conversion of selected vehicle fleets to dedicated NGVs.

The Committee strongly endorses these efforts. Natural gas burns significantly cleaner than gasoline and is the cleanest burning alternative fuel available today. NGVs are well suited for meeting environmental compliance requirements. Increased use of natural gas as a transportation fuel also enhances energy security and improves our trade balance, because it is abundant and readily available in the United States.

#### DEFENSE PRODUCTION ACT PURCHASES

The budget included no fiscal year 1995 funding for the Defense Production Act Purchases program.

The Committee believes the capability to manufacture radiation resistant electronics (RRE) is essential to national security. The Department could stabilize costs and reliable supply sources by encouraging commercialization of the domestic RRE industry. Accordingly, the Committee recommends that \$30,000,000 from funds appropriated in fiscal year 1994 be provided to establish commercial, domestic RRE capacity consistent with critical defense needs, including a qualified manufacturing line with a demonstrated capability to produce 256K SOI static RAMs (with growth to 1M SOI RAMs), 300K to 400K gate arrays, and nonvolatile memory.

#### NATIONAL GUARD AND RESERVE EQUIPMENT

Appropriations, 1994	\$1,200,000,000
New obligational authority, 1995:	
Estimate	.....
Recommended	796,200,000
Increase	796,200,000

#### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

offset folios 00162 to 00163 insert here \*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDATIONS

ARMY RESERVE  
ENGINEER EQUIPMENT

The Committee recommends \$15,000,000 for engineer equipment for the Army Reserve. Of this amount, the Committee directs that \$10,000,000 shall be only for the procurement of hydraulic elevators.

NAVY RESERVE  
NAVAL AIR RESERVE

The Committee is concerned with the age of the Navy Reserve fleet of 29 C-9 aircraft. At present these aircraft have an average age of over 20 years. The engines are difficult and costly to maintain and do not meet new FAA noise requirements. The avionics are obsolete to the point that the aircraft will not be able to operate from civilian air fields in the late 1990's. In short, these aircraft need to be replaced. Therefore, the Committee directs the Secretary of the Navy to submit a plan with the fiscal year 1996 budget for replacement of the aircraft.

MOBILE INSHORE UNDERSEA WARFARE VAN SYSTEM UPGRADE

The committee recommends \$10,000,000 for the procurement of upgraded van systems to satisfy requirements identified by the Navy Reserve for Mobile Inshore Undersea Warfare forces. Additionally, the Navy is directed to obligate no less than \$7,500,000 of the \$10,000,000 provided in this act to complete the integration of specified capabilities into the MIUW Central Acoustic Processor and to procure full capability production units for use in upgraded vans. These specified processor capabilities include DIFAR processing, cross-beam correlation, automatic sonar fusion inputs into the graphical data fusion system, active barrier processing, and the addition of computer reserves and sensor strings. It has been three years since the MIUW System Upgrade program was initiated. In light of stated Navy requirements and to prevent further delays, the Navy is directed to obligate the \$7,500,000 provided in this Act and at least \$3,000,000 of prior year funds to accomplish these stated Central Acoustic Processor objectives before obligating the additional funds provided for this program.

SURFACE WARFARE TACTICAL TRAINER

In fiscal year 1993 the Committee provided \$8,750,000 to modernize the current combat training capability of the Naval Reserve Fleet. In fiscal year 1994 the Committee endorsed the Navy's plan to use these funds to provide a capability for individual and team tactical proficiency training emulating the Surface Navy's core combat systems at the Surface Warfare Officer's Schools Command (SWOSCOLCOM). The Committee remains supportive of this program and directs that the funds provided in fiscal year 1993 be used only for this purpose in accordance with the terms and conditions specified in last year's Committee report. The Committee also directs the Department of Defense to move expeditiously to obligate these funds.

AIR FORCE RESERVE  
AIR FORCE RESERVE C-130 MODERNIZATION

The Committee directs the Department of Defense to expeditiously field 8 C-130H aircraft to the 910th Tactical Airlift Group at Youngstown, Ohio as specified in the fiscal year 1993 and 1994 Defense Appropriations Acts.

ARMY NATIONAL GUARD  
NIGHT VISION DEVICES

The Committee recommends \$17,000,000 for night vision devices. Of this amount, \$3,000,000 shall be available only for night vision driver viewers and \$14,000,000 shall be available only for night vision goggles.

ARMY NATIONAL GUARD AIRCRAFT

The Committee notes that funds appropriated in fiscal year 1994 for the procurement of aircraft for the Army National Guard have recently been released. The Committee urges the Army National Guard to proceed expeditiously to contract competitively for procurement of these aircraft.



AIR NATIONAL GUARD  
APN-59 RADAR UPGRADE

The Committee recommends \$5,000,000 for the continued procurement of APN-59 radar upgrade kits for the Air National Guard KC-135 fleet. The additional funding provided by the Committee shall not be obligated until a report has been provided to the Committee detailing the acquisition strategy to be pursued by the Air National Guard for the radar upgrade program.

AIRBORNE EMERGENCY HOSPITALS

The Committee directs the National Guard Bureau in coordination with the Assistant Secretary of Defense for Reserve Affairs to evaluate and report to the Committee by March 15, 1995 on the potential benefits related to modifying existing C-130 aircraft into airborne emergency hospitals to provide immediate on-scene full service medical and surgical intervention for civilian or military populations impacted by hazards, including natural disasters. The report should include any recommendations for a pilot program within the structure of the National Guard.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION  
ESTIMATES AND APPROPRIATIONS SUMMARY

The fiscal year 1995 Department of Defense research, development, test and evaluation budget totaled \$36,225,013,000. The accompanying bill recommends a total program of \$34,467,940,000. The total amount recommended is \$1,757,073,000 below the total program provided in fiscal year 1994. The table below summarizes the budget estimates and the Committee's recommendations:

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REPROGRAMMING LIMITATIONS

The Committee in the past has agreed in conference to a number of reprogramming limitations affecting RDT&E programs. The Director of ARPA testified to the Committee that nearly 70 percent of the ARPA budget is restricted by either project level restrictions or special interest designations. The Air Force has not moved funds between projects within its electronic warfare program without prior Congressional approval for many years, even though the issues which originally prompted the Congressional restriction on electronic warfare programs have subsided. The Committee does not believe that reprogramming restrictions beyond those described in DOD Instruction 7250.10 should be continued in perpetuity, but should be reviewed annually to assess their relevance. The Committee therefore directs that no further reprogramming limitations beyond those described in DOD Instruction 7250.10 shall apply to fiscal year 1995 and subsequent RDT&E funds unless stated in one of the Committee reports and agreed to in conference. This would not affect Congressional interest items designated in Congressional reports.

UNIVERSITY RESEARCH

The Defense Department estimates that the fiscal year 1995 Department of Defense budget contains about \$1.8 billion for university research and associated contracts with universities, to include Navy laboratories. The Committee recommends a reduction of \$900,000,000, about half of the budget request, due to fiscal constraints. The reduction is recommended as a general reduction to the following appropriation accounts:

[In thousands of dollars]

RDT&E, Army	-68,000
RDT&E, Navy	-310,000
RDT&E, Air Force	-92,000
RDT&E, Defense wide	-430,000

SHIP SELF DEFENSE

The Committee has been very concerned about programs to protect Navy ships from sea-skimming, low-observable, anti-ship cruise missile attack since the time when 37 sailors died in the attack on the U.S.S. Stark. The Committee commends the Assistant Secretary of the Navy for Research, Development, and Acquisition for her attention to these programs and for her responsiveness to the Committee. She is the first and only Defense Department witness to testify before the Committee to state that Congressional direction to field certain classified capabilities by 1996 will be accomplished. In addition, the Navy has embarked on an aggressive program to field cooperative engagement capability in the E-2 aircraft much earlier than any previous plan. It seems to the Committee that the set of programs which encompass ship self-defense are well managed and are in very healthy shape. The Committee remains concerned, however, that the Office of the Secretary of Defense has done little to ensure that tri-service coordination between warfighting units such as Army Patriot batteries, E-2 and E-3 early warning aircraft, and Navy ships is accomplished. The Committee directs that no more than half of funds appropriated for E-3 AWACS R&D may be obligated until the Secretary of Defense submits a plan to Congress for installing cooperative engagement in Air Force E-3 aircraft for the purpose of aiding in ship self-defense and joint-service theater ballistic missile defense efforts. The Committee recommends additional funds for the following ship self-defense programs:

	[In thousands of dollars]		
	Budget	Recommended	Change
Ship Self Defense (0603755N)	\$192,269	\$229,469	+\$37,200
CEC E-2 Integration			(+13,500)
CEC E-2 wrap-around simulation program			(+5,000)
CEC E-2 MMIC active aperture antenna			(+2,000)
Reconfiguration of CEC ADM equipment for airborne testing			(+2,000)
Self defense test ship fitting out efforts			(+11,200)
Enhanced lethality cartridge 20MM CIWS ammunition			(+3,500)
Ship Self Defense (0604755N)	181,501	224,501	+43,000
SSDS MK-1 land based test site			(+10,000)
SSDS/NATO Sea Sparrow integration			(+8,000)
Advanced display system			(+25,000)
ARPA Maritime Technology Office Ship Self-Defense Program			+12,000
Subtotal, R&D changes			+92,200
C3 Countermeasures (Other Procurement Navy)	26,317	41,317	+15,000

## OUTLAW BANDIT

(+15,000)

RN,N,N,S

Total, all changes

+107,200

In fiscal year 1994, Congress appropriated \$5,000,000 for the Navy to conduct a prompt test and evaluation of an off-the-shelf 25mm or 30mm stabilized, rapid fire gun mount with associated fire control system aboard an Aegis cruiser. To date the Navy has not obligated these funds. The Committee directs the Navy to use these unobligated funds instead to conduct the test of off-the-shelf components as a solution to the requirement for ship self defense of amphibious forces.

Of the additional funding provided by the Committee \$25,000,000 shall be made available only for adaptation of the Advanced Display System (ADS) for shipboard deployment in support of cooperative engagement capability, future AEGIS baselines, advanced combat direction system block I, and ship-self defense system Mk2, as well as for the demonstration of emerging COTS/NDI technology for future deployment.

## JOINT ADVANCED STRIKE TECHNOLOGY PROGRAM

The Navy requested \$100,037,000 and the Air Force requested \$101,354,000 for the Joint Advanced Strike Technology Program (JAST), both of which the Committee approves in full. The Committee agrees with the observations of and recommendations by the House Armed Services Committee to incorporate the Advanced Research Projects Agency's ASTOVL program into JAST, and to reduce the following programs:

Navy Air systems and weapons advanced technology	-14,221
Air Force Aerospace propulsion subsystems integration	-8,000
Air Force Aerospace propulsion and power technology	-10,000
ARPA Experimental evaluation of major innovative technologies	-20,014
	-52,235

The Committee directs that within the total of \$201,391,000 recommended for JAST, \$52,235,000 is only for the ASTOVL program of which \$10,000,000 is only to continue the ASTOVL direct lift demonstration.

## TRI SERVICE STANDOFF ATTACK MISSILE

The Air Force requested a total of \$604,058,000 for the Tri Service Standoff Attack Missile, of which \$230,183,000 is for research and development and \$373,875,000 is for missile procurement. "Tri-service" is a misnomer since only the Navy and Air Force remain in the program. Last year, the Committee described TSSAM as an acquisition horror story and recommended, as it has done in each of the last four years, that this troubled program be terminated. During the last year, the program has gotten worse. More flight test failures have occurred, other flight tests have been delayed, and none of the \$160,000,000 appropriated for procurement in fiscal year 1994 can be used to purchase missiles before the fiscal year ends. The Committee notes that the ever optimistic Air Force has requested production funds since 1988 for TSSAM and has yet to produce a single operational missile. The House Armed Services Committee in its 1995 report recommends that TSSAM be terminated. The Committee concurs with the Armed Services Committee's funding recommendations and also denies all fiscal year 1995 funds requested for Air Force RDT&E. In denying the request to appropriate RDT&E funds for termination costs of the TSSAM, the Committee directs the Secretary of Defense to transfer excess fiscal year 1994 procurement funds to the RDT&E appropriations to cover all termination costs.

## AIM-9 SIDEWINDER MISSILE

The Navy requested \$22,376,000 and the Air Force requested \$26,944,000 for development of upgrades to the AIM-9 Sidewinder missile. As Congress has done for the last five years, the Committee denies funds in the Service appropriation accounts and appropriates instead an equal total amount in the Defensewide account. This is recommended to ensure that both Services develop and use only a single, common missile. The Committee commends

the Defense Department for its recently announced acquisition strategy for development of a new Sidewinder missile, called AIM-9X, which allows evaluation of NATO ally systems as part of the demonstration/validation phase of the program.

#### NON-ACOUSTIC ASW

The Navy requested \$4,756,000 for research in non-acoustic technologies. The Committee recommends that these funds be denied, but that the OSD program funded in the Defensewide appropriation be increased by the same amount to ensure coordination between and consolidation of the two programs. The Committee appreciates the recent decision by the Under Secretary of Defense to retain the Congressionally directed management structure of the OSD non-acoustic ASW program.

#### FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS (FFRDCS)

Federally Funded Research and Development Centers (FFRDCs) are privately operated organizations sponsored by Government agencies to work in all areas of basic or applied research.

The ceiling for FFRDC funding in fiscal year 1994 was \$1,352,650,000. The Committee recommends a budget ceiling of \$1,252,650,000 for fiscal year 1995, consistent with the reduced level of research and development funding recommended by the Committee and past guidance to continue decreasing the ceiling.

Last year the Committee recommended that the DOD submit a report to the Committee on the feasibility of establishing pay caps for FFRDC employees to further contain cost growth. The report was requested after the House Budget Committee recommended that employees of DOD's FFRDCs should be treated like federal employees when it comes to future pay raises and COLA adjustments. DOD does not have a policy regarding either pay adjustments or COLAs for FFRDC employees. Currently, since FFRDC employees are not Government employees, they are subject only to the remuneration policies of their parent corporations. The Committee has not received the report it requested last year and understands that DOD has not even initiated work on it. Therefore, the Committee recommends altering the general provision regarding FFRDCs to restrict the obligation of one-half of FFRDC funds until the report is provided.

The Committee recommends retaining subsection (a) of section 8054 which prohibits the obligation of funds to finance an FFRDC if a member of its Board of Directors or Trustees simultaneously serves on the Board of Directors or Trustees of a profit-making company under contract to the DOD unless the FFRDC has a DOD approved conflict of interest policy for its members.

The Committee also recommends retaining subsection (b) of section 8054 which prohibits the obligation of funds to establish a new FFRDC either as a new entity, or as a separate entity administered by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

#### STREAMLINING THE ACQUISITION PROCESS

The Committee understands that the Army has adopted an innovative new approach to acquisition. The Army stated at its Research, Development, Test and Evaluation hearing this year that "acquisition programs take too long and the cost of inefficiencies in the acquisition system is a price we can no longer afford to pay". The Army has decided to streamline the acquisition process by emphasizing concurrent development and production, early integration of test and evaluation, and extensive early simulation. The Army also plans to obtain commercial products where possible, use commercial specifications and standards, and eliminate paperwork and reports. The Army provides two examples of programs on which the streamlined acquisition process is being implemented: the Comanche helicopter and the Advanced Field Artillery System (AFAS) and the companion Future Armored Resupply Vehicle (FARV).

The Committee agrees with the Army about the need to shorten and improve the acquisition process. However, the Army's effort to streamline the acquisition process may be premature. OSD is supportive of the acquisition reform legislation which Congress is currently considering, but has not yet passed. Until such legislation is passed, the Committee believes the Army should adhere to existing acquisition practices.

Furthermore, other services have attempted to incorporate elements of the Army's acquisition improvement in their acquisitions, frequently with great detriment to the program. For example, the B-2 Bomber, the C-17 aircraft, and the Tri-Service Standoff Attack Missile are all examples of acquisitions that used concurrent development and production. All three programs have experienced significant cost growth, schedule slips, or both. A more recent example is the Clementine program, a joint NASA/DOD effort that launched a sensor-laden satellite after only 2 years and at a cost of only \$80 million. The satellite initially worked well and was touted as an example of the benefits of streamlined acquisition. Recently, however, the satellite has experienced technical problems and has spun off course. Clearly, streamlined acquisition can lead to some of the problems it attempts to prevent.

The Committee is also concerned that the Army is applying its new acquisition approach to some of its most significant research and development efforts, instead of first testing it out on less critical programs. The Army has selected the Comanche and the AFAS/FARV, two of the Army's most important programs, to streamline first. The Committee is sympathetic to the Army's need to control costs now in order to fully fund acquisitions in the future, but is concerned about the possible detrimental effects of streamlining these important programs.

Finally, the Committee expresses these concerns for all the services and any attempts they are making on streamlining the acquisition process before acquisition reform legislation has been enacted.

Therefore, the Committee requests that the services notify the Committee of each exception to DOD Directives 5000.1, 5000.2, and 5000.2-M for any of their research and development programs, along with a justification comparing the acquisition as it would have been under the above DOD Directives to the proposed acquisition process, including: schedule, acquisition milestones, number of test articles and tests, and anticipated cost savings. The services should continue such notification until the acquisition reform initiative is complete and all implementing legislation is enacted.

#### MANUFACTURING TECHNOLOGY

The Department requested \$117,221,000 for manufacturing technology, of which \$20,164,000 is in the Navy account and \$97,057,000 is in the OSD account. The total amount requested is less than half of the fiscal year 1994 appropriated level. The program is intended to save money by making investments in weapon system manufacturing processes that will significantly lower costs during their production. This was one of the key "lessons-learned" from the cancellation of the A-12 aircraft program, but apparently forgotten with the change of Administrations.

The Committee believes the Department's priorities are askew when it makes heavy investments in research and development of technologies, but little investment in the processes to manufacture them. The Committee, therefore, recommends a total of \$227,164,000, an increase of \$159,943,000 to the budget request. The following table summarizes the Committee's recommendation:

[Dollars in thousands]

	1994	Budget	HAC	Change
Army	\$43,200	\$0	\$45,000	+\$45,000
Navy	142,255	20,164	112,164	+92,000
Air Force	73,800	0	95,000	+95,000
DLA	21,850	0	25,000	+25,000
OSD	0	97,057	0	-97,057
Total	281,105	117,221	277,164	+159,943

The amounts recommended by the Committee are based on the requirements determined by the Services' manufacturing technology program managers. The Committee does not agree to the budget proposal to centrally fund

those programs in an OSD account, but recommends instead that these funds continue to be managed by the services in order to closely couple the manufacturing technology programs to the needs of weapon system developments.

Within the amounts recommended, additional funds are provided only for the following projects:

	In thousands
Army:	
Center for Optics Manufacturing	4,900
Navy:	
Fiber Optic acoustic sensors	4,800
Cast ductile iron projectile and bomb programs	6,000
Center of Excellence in Ship Hull Design and Electrical Systems	1,000
National Center of Excellence for Composites Manufacturing Technology	15,500
Great Lakes Composites Consortium sonar production dome project	1,000
Joining Center	6,000
Gulf Coast Region Maritime Technology Center	5,400
Electronics Manufacturing Productivity Facility	12,000
Manufacturing Producibility Center at the Louisville, Kentucky, site of the Naval Surface Warfare Center, Crane Division	1,000
Air Force:	
National Center for Manufacturing Sciences	20,000
Cast ductile iron solidification and pattern definition	2,000
Blade tip repair	2,500
Spare parts and procurement system	1,500
DLA:	
Military sewn products	10,000
Combat rations advanced manufacturing technology demo	2,800
National Center for Tooling and Precision Components pilot project for advanced manufacturing technology utilization by small business and medium sized manufacturing companies.	1,250
Generalized Emulation of Microcircuits	5,000

Within the total amount provided to the Air Force, the Committee fully supports Manufacturing 2005 programs that were requested in the budget, and projects for rejuvenation of rotary components and plating bath rejuvenation.

The Committee directs the Navy to use \$6,000,000 only for continued R&D and process verification of the cast ductile iron projectile/bomb programs as funded in the 1994 Defense Appropriations Act. This R&D will continue to investigate cost reductions through using ductile castings as well as increases in weapon fragmentation lethality. Also, the Navy will continue the development of an Automatic Finishing Machine, develop a lost foam manufacturing process for projectiles/bombs, and develop a ductile iron casting process for 500 LB and/or 1000 LB bomb bodies. R&D of extended range projectiles, guided projectiles, and ductile iron warhead optimization will be conducted and/or continued. To prevent duplication and insure maximum use of available ductile iron expertise, the current Navy chain of command as well as the program office at Dahlgren will continue to lead the development and management of all these tasks.

## MEDICAL PROGRAMS

Adjustments to medical RDT&E programs are addressed in the medical programs section of this report.

## CLASSIFIED PROGRAMS

Adjustments to classified RDT&E programs are addressed in a classified report or classified letter accompanying this report.

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

Appropriations, 1994	\$5,427,546,000
New obligational authority, 1995:	
Estimate	5,260,082,000

Recommended	5,456,498,000
Increase	196,416,000

This appropriation funds the Research, Development, Test and Evaluation activities of the Department of the Army.

#### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with authorization action:

[In thousands of dollars]

	Request	HASC	HAC	Change
Electromechanics and hypervelocity physics	5,050	8,700	8,700	+3,650
Laser weapons technology		4,000	4,000	+4,000
Chemical, smoke, and equipment defeating technology	29,657	42,157	42,157	+12,500
Landmine warfare and barrier advanced technology	11,950	21,950	21,950	+10,000
Advanced tactical computer science and technology	34,995	39,995	39,995	+5,000
Tactical electronic surveillance system-advanced development	15,008	10,008	10,008	-5,000
Logistics and engineer equipment-advanced development	5,581	6,881	6,881	+1,300
NBC defense system-advanced development	13,778	22,078	22,078	+8,300
Logistics and engineer equipment-engineering development	21,171	22,271	22,271	+1,100
NBC defense system-engineering development	13,474	48,274	48,274	+34,800

#### PROGRAM GROWTH/BUDGET EXECUTION ADJUSTMENTS

The budget request included amounts for some programs which exceed by unjustifiably large margins the amounts provided for fiscal years 1993 or 1994. Other programs had significant prior year unobligated balances, and budget adjustments are necessary due to poor budget execution. The Committee accordingly recommends the following reductions:

[In thousands of dollars]

	Request	HASC	HAC	Change
Modeling and simulation	51,517	41,517	32,517	-19,000
Distributive interactive simulation-advanced development	11,787	11,787	6,000	-5,787
Distributive interactive simulation-engineering development	8,041	8,041	4,000	-4,041
Programwide activities	103,262	103,262	102,044	-1,218

#### DIRECTED ENERGY

The Committee is concerned about the development of tactical directed energy weapons. The Army has spent millions of dollars on these programs and still has nothing available for the soldier. The Department has terminated the Stingray program and as the lead service in the development of tactical directed energy, has been unable to make it a battlefield reality.

The Committee is concerned about the future of this technology. The Army is directed to provide the Committee with its plan for developing and fielding tactical directed energy weapons for the soldier in the field. This plan should be submitted with the fiscal year 1996 budget request and should consider, as a minimum, leveraging current technology, doctrine and tactics for utilization, training our forces, and the funding schedules needed to implement this plan.

#### BASIC RESEARCH DEFENSE RESEARCH SCIENCES

The Army requested \$195,346,000 for defense research sciences. The Committee recommends \$205,996,000, an increase of \$10,650,000. Of this additional amount, \$10,000,000 is only for a competitively awarded grant for computing, data and communications networks and associated facilities in support of engineering biotechnology facilitization, as proposed by the House Armed Services Committee.

Also included in this increase is \$150,000 only for a study of trauma care requirements and \$500,000 only for research into nutrition. Both of these increases are addressed further in the medical section of the report.

#### EXPLORATORY DEVELOPMENT MATERIALS TECHNOLOGY

The Army requested \$11,083,000 for Materials Technology. The Committee recommends \$21,083,000, an increase of \$10,000,000 only for continued development and evaluation of cast ductile iron vehicle track shoes. With these funds, the Army is to complete development and qualification testing of the ongoing T-154, T-157I, T-158 and CAV lightweight track shoe programs and, if successful, conduct a low-rate production demonstration. When possible, and without incurring any schedule delays, track shoe testing should be conducted in conjunction with other vehicle testing. The Committee recommends the Army use an independent academic or non-profit research organization experienced in track design, testing and evaluation to monitor this effort and to provide a report to the Committee by June 1, 1995 on the results of the qualification testing. The Committee restates the directives regarding funding for Army cast ductile munitions development contained in the conference report accompanying the fiscal year 1994 Defense Appropriations Act.

#### ELECTRONIC SURVIVABILITY AND FUZING TECHNOLOGY

The Army requested \$26,036,000 for electronic survivability and fuzing technology. The Committee recommends \$29,036,000, an increase of \$3,000,000, only to continue development of the passive millimeter camera.



## COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY

The Army requested \$28,330,000 for combat vehicle and automotive technology. The Committee recommends \$34,330,000, an increase of \$6,000,000, only for upgrading the U.S. Army Tank-Automotive Research, Development and Engineering Center's (TARDEC) Physical Simulation Laboratory. TARDEC is responsible for ground vehicle simulation work for development and production testing on in-service vehicles as well as future vehicle design. The upgrades are to include increased power supply, newer digital control systems, and improved visual displays, in order to make the laboratory more efficient and effective.

## WEAPONS AND MUNITIONS TECHNOLOGY

The Army requested \$28,163,000 for weapons and munitions technology. The Committee recommends \$38,163,000, an increase of \$10,000,000. Of this additional amount, \$4,000,000 is only for two programs at the Longhorn Army Ammunition Plant: \$2,000,000 is only for conducting feasibility tests and process prove-outs of new advanced materials and \$2,000,000 is only for developing a black powder substitute.

The Committee also recommends an increase of \$6,000,000 only for the establishment of the National Center for Life-Cycle Environmental Technologies at the Army's Armament Research, Development, and Engineering Center (ARDEC), Picatinny Arsenal. The Committee recommends that ARDEC, in developing the research activities of this center, should enter into a cooperative agreement with a non-profit institution with demonstrated experience in environmental engineering and science, especially pollution prevention technologies.

## ELECTRONICS AND ELECTRONIC DEVICES

The Army requested \$21,222,000 for electronics and electronic devices. The Committee recommends \$23,222,000, an increase of \$2,000,000 only for development of low-cost reusable alkaline batteries for portable manpack radios and zinc air batteries.

## ENVIRONMENTAL QUALITY TECHNOLOGY

The Army requested \$25,887,000 for environmental quality technology. The Committee recommends \$40,887,000, an increase of \$15,000,000 to the budget request. Of the additional funding provided by the Committee, \$5,000,000 is only to continue the development of the Facility Environmental Management and Monitoring System (FEMMS) demonstration test initiated in the fiscal year 1994 Defense Appropriations Act, under the terms and conditions specified in last year's Committee report. The Committee has also provided \$5,000,000 in accordance with the House Armed Services Committee only for continuation of research, testing, and analysis work at the Army environmental center at Jefferson Proving Ground for unexploded ordnance remediation programs. The Committee has also provided \$4,500,000 only for joint Department of Agriculture and Army environmental research projects. Finally the Committee has provided \$500,000 only for the Naval Surface Warfare Center, Crane Division to provide technical support to the National Defense Center for Environmental Excellence.

## LOGISTICS TECHNOLOGY

The Army requested \$31,825,000 for logistics technology. The Committee recommends \$35,325,000, an increase of \$3,500,000. Of this amount, \$2,000,000 is only for the Army to continue its research on the establishment of cold pasteurization/sterilization techniques for meals-ready-to eat. This research should be continued by the institutes that are currently working with these technologies.

The Committee also recommends \$1,500,000 only for the continued development of battlefield equipment repair tents erected with high pressure air beams.

## ADVANCED DEVELOPMENT LOGISTICS ADVANCED TECHNOLOGY

The Army requested \$14,386,000 for logistics advanced technology. The Committee recommends \$15,386,000, an increase of \$1,000,000 only to test and evaluate a commercially available, 5.56 mm rapid magazine loading system for firearms. The Committee directs the Army to provide a report to the Appropriations Committees by February 1,

1995, on the feasibility of the loading system, the requirement for such a loading system, and the cost and schedule associated with both development and production.

#### AVIATION ADVANCED TECHNOLOGY

The Army requested \$51,350,000 for aviation advanced technology. The Committee recommends \$54,350,000, an increase of \$3,000,000 only for examining air-to-air applications of the Starstreak missile on an appropriate rotary wing platform as proposed by the House Armed Services Committee.

The requested level of funding includes \$20,996,000 for the Rotocraft Pilot's Associate (RPA) Advanced Technology Demonstration (ATD). The Committee fully supports the RPA ATD and believes that it will develop and demonstrate improvements in combat helicopter mission effectiveness and survivability.

#### WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY

The Army requested \$25,562,000 for weapons and munitions advanced technology. The Committee recommends \$32,562,000, an increase of \$7,000,000. Of the additional amount, \$1,000,000 is only to accelerate the development of an electrorheological fluid recoil system for the lightweight howitzer; and \$6,000,000 is only to continue the development of the XM-982 extended range artillery projectile.

The Committee recommends \$4,500,000, as requested, to continue the cannon caliber electromagnetic gun program (CCEMG) according to the Army/USMC agreement and the Army's plan. These funds should support transitioning of CCEMG into a test bed for advanced medium caliber hardware development aimed at future Army/USMC counterarmor applications, as proposed by the Army. Further, the Committee recommends that the Army/USMC project initiate virtual prototyping of CCEMG in Army medium caliber and USMC advanced assault counterarmor applications.

The House Armed Services Committee's initiative to develop a lightweight 155mm howitzer is funded by this Committee as a Marine Corps program under program element 0603635M.

The Committee has been advised of the desirability of developing a high-explosive (HE) variant of the existing 155mm M864 baseburn extended range artillery projectile. The M864 currently uses improved conventional munition (ICM) submunitions, which while extremely effective against certain target sets, present operational limitations against other targets. A HE M864 variant, using existing technology and readily adaptable to operational use, would remedy this problem. The Committee directs the Army to provide a report to the Appropriations Committees by February 1, 1995, on the feasibility of developing a HE 864 variant, the requirement for such a munition, and the cost and schedule associated with both development and production.

#### COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY

The Army requested \$59,414,000 for combat vehicle and automotive advanced technology. The Committee recommends \$62,414,000, an increase of \$3,000,000 only to complete development and to test and evaluate two diesel engines as proposed by the House Armed Services Committee.

The Committee also directs the Army to identify the role of the "hunter" vehicle in the digitized battlefield and the Army's plans for integrating the "hunter" vehicle with other digitized platforms as part of its report on digitization called for elsewhere in this report.

#### MISSILE AND ROCKET ADVANCED TECHNOLOGY

The Army requested \$94,602,000 for missile and rocket advanced technology. The Committee recommends \$62,824,000, a reduction of \$31,778,000.

The Committee recommends a \$30,000,000 reduction to the enhanced fiber optic guided missile (EFOG-M). The Committee agrees with the House Armed Services Committee that the Army has conducted sufficient modeling and

simulation of the EFOG-M system and should begin developing hardware. In addition, unobligated balances from the non-line of sight program could be reprogrammed for the EFOG-M effort.

The Committee also denies \$1,778,000 for the multi-purpose individual munition program. The Committee instead transfers these funds to program element 0604802A, Weapons and Munitions-Engineering Development, for the bunker defeat munition. The bunker defeat munition can be fielded much sooner than the multi-purpose individual munition and is as capable against all but light artillery with advanced armor, for which the Army has other weapons.

#### LINE-OF-SIGHT, ANTITANK

Last year the Appropriations conferees agreed that the Army should continue to pursue the Line-of-Sight, Antitank (LOSAT) in order to reach engineering and manufacturing development (EMD) in fiscal year 1996. They also agreed that the Army should evaluate whether LOSAT technology can be used on an early entry vehicle. It is now recognized that program changes necessary to integrate LOSAT on a light chassis preclude an EMD start in fiscal year 1996. However, the Committee is pleased with the Army's effort to develop an early entry configuration for LOSAT. An armored gun system (AGS) equipped with LOSAT would have an overmatching lethality, long range, and high rate of fire which would significantly increase the U.S. force survivability and lethality. Integration of LOSAT with the AGS chassis provides for deployability on C-130 aircraft, making it an ideal system for early force projection.

The Committee, therefore, supports the fiscal year 1995 budget request for LOSAT and directs the Army to provide sufficient funding in fiscal years 1996 and 1997 to complete early entry technical and operational evaluation. These actions will position LOSAT for the next phase of development by fiscal year 1998.

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#### DEMONSTRATION AND VALIDATION ARMAMENT ENHANCEMENT INITIATIVE

In addition to the budget request, the Committee recommends an additional \$8,500,000 only to continue to develop and test the X-ROD projectile.

#### ARTILLERY PROPELLANT DEVELOPMENT

The Army requested \$8,137,000 for artillery propellant development. The Committee recommends \$9,137,000, an increase of \$1,000,000 only to assess the feasibility of integrating the 52 caliber cannon on 155mm howitzers, as proposed by the House Armed Services Committee.

#### ADVANCED TANK ARMAMENT SYSTEM

The Army requested \$10,075,000 for the advanced tank armament system (ATAS). Under this program, the Army would integrate existing and developing technologies into system demonstrations with the objective of increasing firepower at extended ranges. Specifically, the Army would consider improvements to the gun, ammunition, and fire control systems of the M1A2 tank and the addition of an ammunition autoloader. The Committee recommends that these funds be denied.

The Army is currently making a major investment to upgrade tanks from the M1 to the A2 configuration and will not complete fielding of the improved tanks until the next century. As last year, the Committee believes that scarce resources for modernizing tanks should go to the M1A2 upgrade and associated ammunition programs rather than to ATAS.

In addition to this major tank upgrade, the Army is undertaking a significant level of other research and development on tank improvements, which the Committee supports. For example, under program element 0602601A, Combat Vehicle and Automotive Technology and program element 0603005A, Combat Vehicle and Automotive Advanced Technology, the Army is pursuing technologies for improving tank mobility, survivability, and lethality. The Committee provided additional funding over the budget request for both these programs.

#### AVIATION ADVANCED DEVELOPMENT

The Army requested \$9,367,000 for aviation advanced development. The Committee recommends \$15,867,000, an increase of \$6,500,000. Of this amount, not less than \$10,128,000 shall be available only for Project DB45,

Aviation Life Support Equipment, with the increased funding to be applied to the aircrew integrated common helmet ensemble (\$1,600,000) and Air Warrior (\$3,900,000). In addition, \$1,000,000 is only for the advanced boresight equipment program.

#### WEAPONS AND MUNITIONS ADVANCED DEVELOPMENT

The Army requested \$663,000 for weapons and munitions advanced development. The Committee recommends \$1,263,000, an increase of \$600,000 only for the MK-19 Soft Mount program as proposed by the House Armed Services Committee. The Committee directs the Secretary of the Army to report to the Appropriations Committees no later than April 1, 1995 on the planned acquisition strategy for this program.

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#### ENGINEERING AND MANUFACTURING DEVELOPMENT ELECTRONIC WARFARE DEVELOPMENT

The Army requested \$89,122,000 for Electronic Warfare Development. The Committee recommends \$93,122,000, an increase of \$4,000,000 only to complete integration of the air-delivered expendable jammer (AD/EXJAM) with selected delivery platforms.

#### LIGHT TACTICAL WHEELED VEHICLES

The Army requested \$3,479,000 for light tactical wheeled vehicles. The Committee recommends that these funds be denied. Last year, the Committee denied funds for this program citing similar programs in the other services. The Committee instead initiated a joint-service program for a common security/scout vehicle. However, a joint requirements document has not yet been signed between the services for a security/scout vehicle. The Committee recommends an additional \$3,479,000 in program element 0603228D, Physical Security Equipment, for continued development of a joint program and restricts its obligation until a joint requirements document is signed by the Army, Navy, and Air Force.

#### ENGINEER MOBILITY EQUIPMENT DEVELOPMENT

The Army requested \$16,865,000 for engineer mobility equipment development. The Committee recommends \$12,271,000, a reduction of \$4,594,000 to the combat breacher vehicle program due to a schedule slip.

#### AIR DEFENSE C2I ENGINEERING DEVELOPMENT

The Army requested \$26,494,000 for Air Defense C2I Engineering Development. The Committee recommends \$28,494,000, an increase of \$2,000,000 only for the examination of a non-developmental passive sensor alternative that has a demonstrated ability to cue and track targets in clutter at ranges beyond 5 kilometers. This passive sensor is to be integrated onto an existing Army defense platform for an operational test and evaluation in an effort to address the inability of current sensor systems to effectively perform this mission.

#### AUTOMATIC TEST EQUIPMENT DEVELOPMENT

The Army requested \$7,201,000 for automatic test equipment development. The Committee recommends \$15,701,000, an increase of \$8,500,000 only for Projects DL59, Diagnostic/Expert System Development and D537, Integrated Family of Test Equipment, for the development of base shop test facility test program sets to support remaining Army aviation and ground vehicle requirements. The Army is directed to provide a report to the Appropriations Committees by March 1, 1995 on its planned use of these funds.

#### WEAPONS AND MUNITIONS ENGINEERING DEVELOPMENT

The Army requested \$9,130,000 for weapons and munitions engineering development. The Committee recommends \$18,930,000, an increase of \$9,800,000. The Committee directs the Army to fund all programs as budgeted; in addition, not less than \$11,317,000 shall be available only for Project D613, Mortar Systems. Of this

amount, \$6,000,000 shall be available only for development of the XM930 illumination cartridge (both white light and infrared) and \$2,000,000 only for continued development of the XM931 full range training cartridge.

In addition, not less than \$4,442,000 shall be available only for continuing the on-going bunker defeat munition program and initiating testing, as discussed previously.

#### SENSE AND DESTROY ARMAMENT MISSILE ENGINEERING DEVELOPMENT

The Army requested \$72,071,000 for sense and destroy armament missile (SADARM) engineering development. The Committee recommends \$42,000,000 for research, development, test and evaluation and \$30,000,000 for procurement, as discussed elsewhere in the report.

#### RDT&E MANAGEMENT SUPPORT DOD HIGH ENERGY LASER SYSTEMS TEST FACILITY

The Army did not request any funds for the DOD High Energy Laser Systems Test Facility (HELSTF). The Committee recommends \$24,808,000, the same level of funding provided in fiscal year 1994. These funds are to be used only for the continued operation of HELSTF, including \$10,000,000 only for the Sea Lite Beam Director. These funds are not to be used for any studies to curtail the operation and maintenance of HELSTF, to begin shutdown procedures of the high energy laser system, or to initiate reduction-in-force of civilian personnel during fiscal year 1995.

The Committee is adamant that HELSTF be fully operational during fiscal year 1995. Any future proposal of the Army to reduce or curtail activities at HELSTF shall only be made along with a budget submission so that Congress has the opportunity to consider the request.

In addition, the last two Appropriation Committee conference reports have called for a report on the long-term plan for HELSTF. The Committee requests the report again and directs that no more than one-half of the funds for program element 0605601A, Army Test Ranges and Facilities, may be obligated until the report is provided.

#### ENVIRONMENTAL COMPLIANCE

The Department of the Army requested \$49,907,000 for environmental compliance research in fiscal year 1995. The Committee recommends \$51,907,000, an increase of \$2,000,000 to the budget request. The additional funding provided by the Committee shall be available only for the Construction Engineering Research Laboratory (CERL) for an industry cost-shared demonstration of a 3000 HP low emission natural gas boiler.

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#### OPERATIONAL SYSTEMS DEVELOPMENT MLRS PRODUCT IMPROVEMENT PROGRAM

The Army requested \$55,699,000 for the MLRS product improvement program. The Committee recommends \$58,699,000, an increase of \$3,000,000 only to proceed with the development and testing of the low cost anti-armor submunition, including the seeker, warhead, airframe, propulsion, and dispensing hardware.

#### COMBAT VEHICLE IMPROVEMENT PROGRAMS

The Army requested \$111,279,000 for the combat vehicle improvement programs. The Committee recommends \$131,779,000, an increase of \$20,500,000 only for the Bradley Fighting Vehicle upgrade program. The increase is to accelerate the development of prototypes for system integration and test, start vehicle pre-production testing, improve synchronization with M1A2 Abrams tank fielding, and support the digitized division objective. This additional funding will maintain combined arms team balance between the Bradley, the M1A2 tank, and the Apache Longbow helicopter.

#### DIGITIZATION

The Army requested \$75,857,000 for digitization. The Committee recommends \$115,857,000, an increase of \$40,000,000.

The Committee supports the Army's initiative to digitize its battlefield systems in order to collect, process, disseminate, and use information about the enemy. The Committee also supports the Army's intention to maximize the use of non-developmental and commercial off-the-shelf equipment. The Army's plan to use applied rather than embedded equipment on its major existing platforms, such as the Apache helicopter, Bradley fighting vehicle, and Abrams tank, is necessary in order to meet the Army's goal of digitizing a division by 1999.

However, the Committee agrees with the House Armed Services Committee that the overall system architecture and digital interfaces, standards, and protocols have not been defined before upgrades are underway. The Army has also placed insufficient emphasis on digital integration with aviation assets or with Marine Corps assets. The Army is directed to provide a report to the Appropriations Committees that identifies a master plan for developing, testing, and producing digitization hardware and software including an architecture for digitization and a detailed interface control document for all sensors, computers, communications equipment and weapons on the network by March 1, 1995.

#### MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM

The Army requested \$24,610,000 for the missile/air defense product improvement program. The Committee recommends \$29,610,000, an increase of \$5,000,000 only to continue operational testing and evaluation of the Starstreak missile to enhance the lethality of the Avenger system as proposed by the House Armed Services Committee.

#### OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS

The Army requested \$74,380,000 for other missile product improvement programs. The Committee recommends \$78,380,000, an increase of \$4,000,000, only for continued development of a low-cost Hellfire laser-guided training missile.

#### SATCOM GROUND ENVIRONMENT

As discussed elsewhere in this report under Space and Related Programs, the entire request of \$95,191,000 for SATCOM Ground Environment has been transferred from RDT&E, Army to RDT&E, Defense-Wide.

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#### PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1995:

Offset Folios 00173 to 00177 Insert here \*\*\*TABLE GOES HERE\*\*\*

#### RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Appropriations, 1994	\$8,365,786,000
New obligatory authority, 1995:	
Estimate	8,934,718,000
Recommended	8,598,958,000
Decrease	335,760,000

This appropriation funds the Research, Development, Test and Evaluation activities of the Department of the Navy and the Marine Corps.

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#### COMMITTEE RECOMMENDATIONS

## AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with authorization action:

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## MARINE MAMMALS

During the 1980's the U.S. Navy obtained permits to collect and use dolphins for various purposes in the Advanced Marine Biological Systems program. However, the Navy is no longer using these dolphins. The fiscal year 1994 Conference Report gave the Navy greater flexibility in transitioning mammals that are no longer required for this program, allowing transfers to other protected captive environments, in consultation with the Marine Mammal Commission and after notifying the Committee. However, this language did not negate the fiscal year 1992 directive to adapt non-required mammals for release into the World's oceans. The Committee therefore directs the Navy to immediately initiate a pilot rehabilitation and release program for the 15 animals identified as suitable release candidates in the Navy's Technical Report 1549 of October 1993. Under this program, suitable release candidates would be transferred to private APHIS-approved facilities. A progress report on this pilot program shall be submitted to the Committee by the end of fiscal year 1996.

## NAVAL BIODYNAMICS LABORATORY

The Committee has provided an additional \$5,400,000 above the request only for the Naval Biodynamics Laboratory (NBDL) and related collaborative research between NBDL, the Advanced Marine Technology Center, and regional technology centers. Of this additional amount, \$1,400,000 is only for program elements (0603216N) and (0603706N) in addition to those funds already requested in these elements for NBDL. The remaining \$4,000,000 is provided under PE0708011N and is directed to be used to continue the collaborative research effort between the NBDL and the Advanced Marine Technology Center as described in the conference report (102-1015) to H.R. 5504, the fiscal year 1993 DoD Appropriations bill. The Committee also directs the Navy to use this additional funding to continue its manufacturing technology initiative to develop a collaborative research effort between the NBDL, the Advanced Marine Technology Center and regional centers of excellence and other maritime technology consortiums to establish a Gulf Coast Region Maritime Technology Center to promote research projects consistent with national shipbuilding research programs and utilizing large and small shipyards as well as suppliers. It is the Committee's intent that this effort will assist the Navy in gradually transitioning the NBDL away from Naval operations and maintenance support to a facility that is an integral part of the Gulf Coast Region Maritime Technology Center and will still be used for military as well as civilian research. Since this transition cannot be accomplished immediately, the Committee directs the Navy to continue to provide annual budget request support for the NBDL. The Committee also directs the Navy to provide personnel, as well as adequate scientific volunteer personnel support, to the NBDL and that all existing research equipment remain colocated at NBDL.

## GROUND PROXIMITY WARNING SYSTEM

The Committee commends the Navy's initiative for beginning the development of the Ground Proximity Warning System (GPWS) for Navy-Marine Corps helicopters, starting with the on-going GPWS program on the CH-53E. The Committee supports the Navy's desire to reduce the loss of aircrew and aircraft from Controlled Flight into Terrain (CFIT). These benefits are particularly applicable to helicopters, which operate in a tactical environment close to the ground in all weather conditions.

The Committee sees the potential for the GPWS systems to save lives and aircraft in the Navy, Marine Corps, and all other services, particularly the Army. The Navy, working with the other services, shall conduct an analysis to assess the full benefit of installing GPWS in helicopters of all services.

## NEW ATTACK SUBMARINE

The budget request includes \$508 million in fiscal year 1995 for development of the New Attack Submarine (NAS). The Department of the Navy has reported to the Congress that the total development cost of the NAS is expected to be \$3.5 billion and procurement costs are expected to be \$57.8 billion. The Committee believes that an

investment of this scope must be very carefully reviewed to achieve the highest possible return in capability at the most realistic cost. The Committee further believes that a program of this magnitude deserves special attention early in its development phase to ensure that the Congress and the Department are fully aware of financial implications for the future, in particular the potential drain on budgetary resources available for other Navy shipbuilding programs as well as overall Department of Defense requirements.

Much of the testimony and correspondence received by the Committee this year has concentrated on preservation of the submarine industrial base. The Committee recognizes the importance of this aspect of the NAS program and also notes that the end of the Cold War has not resulted in an end to submarine mission requirements.

At this time the Committee is prepared to offer a limited endorsement of the role NAS plays in the Navy's overall plan for preservation of the submarine industrial base. However, the Committee is concerned that the current plan needs to be refined to control total program cost while keeping open the option for improvements to adequately address the threats of the future.

First and foremost, the Committee has added \$100,000,000 to the fiscal year 1995 budget request for Advanced Submarine System Development (P.E. 0603561N). The funding is to be dedicated to improvements in "producibility" with the overall goals to be (1) a reduction in risk associated with the program, (2) a reduction in follow-ship procurement cost to no more than \$1.2 billion versus the current estimate of \$1.54 billion, and (3) allow for future insertion of new technology. Along these lines, the Committee directs the Navy to incorporate full modular reconfigurability into the design for NAS. Such reconfigurability at a minimum must allow for insertion of large-scale new technologies that become available or adapt the design to shifts in mission focus or operating environment. Such modularity must also include the ability to accept replacement of machinery plant, entire propulsion plant (machinery and reactor), sail, and the forward end, as well as insertion of special mid-hull mission modules forward of the reactor plant.

Second, the Committee recommends a reduction of \$137,322,000 for Ship Contract Design (P.E. 0604567N). This is the total amount specified in project F2199 for New Design SSN. The Committee has deferred embarking on the new design effort until completion of producibility studies to reduce future costs. The Committee further recommends a reduction of \$62,678,000 for New Design SSN Development (P.E. 0604558N) for similar reasons. The Committee has recommended no reduction to the funding request of \$82,412,000 for S9G nuclear propulsion plant development (P.E. 0603570N) since this effort is essentially in its sixth year of development and the Committee believes it is too late to re-think the size and power of the system. However, the Committee directs the Navy to use a portion of the funding requested to continue efforts to find better and cheaper ways to produce the propulsion plant.

The Committee advises the Department of Defense that future funding for NAS will be dependent upon the Secretary of Defense certifying that the follow-ship procurement cost goal of \$1.2 billion in constant dollars will be met and that the Navy cost estimate has been verified by an independent Department of Defense cost estimate. In addition, the Committee directs the Secretary of Defense to submit detailed quarterly reports to the Congress on the efforts being undertaken to reduce the cost of the submarine. The first report is to be submitted on March 31, 1995.

#### TECHNOLOGY BASE SURFACE/AEROSPACE SURVEILLANCE AND WEAPONS TECHNOLOGY

The Navy requested \$75,088,000 for surface/aerospace surveillance and weapons technology. The Committee recommends \$80,088,000, an increase of \$5,000,000 to the budget request. The \$5,000,000 increase is provided only to accelerate development of the multi-spectral shipboard surveillance system to provide multi-sensor wide area surveillance and precision strike capability to battlefield commanders in support of joint littoral warfare missions.

#### CANARD ROTOR/WING

The Committee is aware of the Navy's past efforts to investigate subsonic medium speed V/STOL concepts and demonstrate technologies which will enable their successful development and utilization. The Committee is also aware of the Canard Rotor wing concept which is in the early stages of development and could potentially provide significant capabilities across a wide variety of V/STOL applications. In order for the Navy to take advantage of the progress to date and carry this concept to the next step in its development, the Committee has provided \$454,000.



## READINESS, TRAINING, AND ENVIRONMENTAL QUALITY TECHNOLOGY

The Navy requested \$42,753,000 for readiness, training, and environmental quality technology. The Committee recommends \$50,753,000, an increase of \$8,000,000 to the budget request.

The increase includes \$1,000,000 only for continued investigation of the feasibility of retrofitting the Navy's existing fleet of UN-1N, H-3, H-53, and CH-46 helicopters with crash worthy seats. Also included is \$5,000,000 as provided in the defense authorization bill, which is only available to continue work at the Marine and Environmental Research and Training Station. These funds will be used for Phase II of this critical addition to the Department's environmental security and stewardship programs. Finally, an increase of \$2,000,000 is provided only for development of a prototype adaptive system for aircrew life support, protection and performance augmentation.

## MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY

The Navy requested \$80,867,000 for materials, electronics and computer technology. The Committee recommends \$98,617,000, an increase of \$17,750,000 to the budget request.

The increase includes \$2,000,000 to continue the ongoing Distributed Manufacturing Demonstration Project within this program element and \$750,000 only for an electro optics center to continue an initiative begun last year. In addition, \$15,000,000 is provided for development of high thermal conductivity fibers for use in removing heat from advanced electronic systems in military applications.

## MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE

The Navy requested \$34,710,000 for mine countermeasures, mining and special warfare. The Committee recommends \$37,710,000, an increase of \$3,000,000 to the budget request.

The increase is specifically for the Rapid Airborne Mine Clearance System.

## OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY

The Navy requested \$44,965,000 for oceanographic and atmospheric technology. The Committee recommends \$56,065,000, an increase of \$11,100,000 to the budget request.

The increase includes \$1,000,000 for the National Acoustics Center and \$10,100,000 only for continued development and application of a cost-effective remote semi-autonomous underwater oceanographic and environmental measurement capability as described in House Report 103-254.

## ADVANCED TECHNOLOGY DEVELOPMENT AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY

The Navy requested \$30,293,000 for air systems and weapons advanced technology. The Committee recommends \$33,572,000, an increase of \$3,279,000.

The Committee adjustments include a decrease of \$14,221,000 as recommended by the defense authorization bill. This reduction is offset by an increase of \$10,000,000 only for project W0446 to accelerate the technology development of "open architecture" approaches with emphasis in accelerating the Advanced Aircrew Situational Awareness System project and investigating additional prototype applications. Such an acceleration should start with prototype reconfiguration on different computer architectures and support Joint Navy/Air Force prototype development and options. Subject to review and acceptance, a subsequent phase should be planned for the continuing development of prototype opportunities.

Additionally, \$7,500,000 is provided only for the Advanced Anti-radiation guided missile to support the third phase of development leading to captive flight demonstrations.

## PRECISION STRIKE AND AIR DEFENSE

The Navy requested \$32,961,000 for precision strike and air defense. The Committee recommends \$40,061,000, an increase of \$7,100,000 to the budget request.

The increase is required to conduct an airship-UHF radar demonstration as part of Mountaintop Phase I in fiscal year 1995.

## SEA CONTROL AND LITTORAL WARFARE TECHNOLOGY DEMONSTRATION

The budget request of \$82,134,000 represents an increase of 32 percent over the fiscal year 1994 program. The budget material presented to the Committee does not justify such a large increase. Accordingly the Committee recommends \$62,134,000, a decrease of \$20,000,000 from the budget request.

## ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY

The budget requested \$21,024,000 for environmental quality and logistics advanced technology. The Committee recommends \$23,024,000, an increase of \$2,000,000 to the budget request.

The increase of \$2,000,000 is provided to continue the ongoing program in imaging technologies to convert mechanical drawings to two-dimensional electronic data.

## UNDERSEA WARFARE ADVANCED TECHNOLOGY

The Navy requested \$47,330,000 for undersea warfare advanced technology. The Committee recommends \$49,830,000 in fiscal year 1995, an increase of \$2,500,000 to the budget request.

The Committee recommends that within this program element, at least \$15,000,000 shall be for the Low Low Frequency Active (LLFA) technology program and the increase of \$2,500,000 is for LLFA acoustic projectors and associated projector engineering. The Committee notes that this direction is consistent with previous actions of the Congress in holding to the objective of testing a full-scale LLFA array.

## ADVANCED TECHNOLOGY TRANSITION

The Navy requested \$79,863,000 for Advanced Technology Transition. The Committee recommends \$87,363,000. An increase of \$5,000,000 is only for improvements in the Single Channel Ground and Airborne Radio System (SINCGARS). This will enable the Navy to demonstrate the application of a SINCGARS-based voice and data distribution system for Navy and Marine Corps requirements in an amphibious maneuver and mine warfare command and control system.

In addition, the Committee has provided \$2,500,000 only for continuing research of freeze-dried blood.

## DEMONSTRATION AND VALIDATION AVIATION SURVIVABILITY

The Navy requested \$9,992,000 for aviation survivability. The Committee recommends \$16,192,000, an increase of \$6,200,000 to the budget request.

Of the amount provided, not less than \$8,975,000 shall be for project W0584, Aircrew Protective Clothing and Devices, with the additional funding to be provided for the aircrew integrated helmet (\$2,000,000) and the tactical aircraft helmet (\$3,500,000).

Also included in the Committee recommendation is \$700,000 only for the Naval Biodynamics Laboratory.

## AFFORDABILITY THROUGH COMMONALITY [ATC]

The FY 1995 budget request for the Navy's Ship Concept Advanced Design [PE 0603563N] includes \$19,585,000 for the Affordability through Commonality (ATC) program. The Committee directs that these funds be used only for the ATC program.

#### ADVANCED SURFACE MACHINERY SYSTEMS

The Navy requested \$72,355,000 for advanced surface machinery systems. The Committee recommends \$79,755,000, an increase of \$7,400,000 to the budget request.

The increase is provided to accelerate development of the Inter Cooled Recuperated Gas Turbine Engine program and facilitate land-based testing at the Naval Surface Warfare Center/Philadelphia.

#### MARINE CORPS ASSAULT VEHICLES

The Navy budgeted \$26,399,000 for Marine Corps Assault Vehicles. The Committee recommends \$35,499,000, an increase of \$9,100,000. The increase includes \$4,100,000 for the stratified charge rotary engine as proposed in House authorization legislation.

#### MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM

The Navy budgeted \$11,416,000 for Marine Corps Ground Combat/Support System. The Committee recommends \$23,916,000, an increase of \$12,500,000. The increase includes \$6,000,000 for the Predator program.

The increase also includes \$6,500,000 for the lightweight 155mm howitzer program. This increase replaces funds that were reprogrammed in fiscal year 1994 because they were about to expire and could not be obligated. They may be obligated only after a joint operational requirements document (JORD) has been completed with the Army and approved by the Joint Requirements Oversight Council. The funds are to be used to complete testing of "off-the-shelf" candidates with the goal of supporting a Milestone II review early in fiscal year 1996.

#### GUN WEAPON SYSTEM TECHNOLOGY

The Navy requested \$24,849,000 for gun weapon system technology. The Committee recommends \$30,849,000 an increase of \$6,000,000 to the budget request.

A recently completed Cost and Operational Effectiveness Analysis on the Naval Surface Fire Support program recommended improved mission effectiveness of naval gun systems to increase range and lethality. Accordingly, the Committee recommends that, of the funds provided, \$7,000,000 shall be available only to support the Electrothermal-Chemical gun technology development per the Navy's plan and to continue support of the Defense Nuclear Agency/Navy Memorandum of Understanding; and \$8,000,000 shall be available only for the Improved Mk 45, 20 megajoule high performance upgrade project.

The Committee also supports efforts to achieve improvements through precision guided munitions (PGMs). Analysis has shown that great commonality at the subsystem level will exist between PGMs which can be fired from existing 5-inch guns and advanced PGMs which will be compatible with advanced new guns based on emerging technologies. Therefore, the Committee directs the Navy to reduce technical, cost and schedule risks of advanced PGMs by using existing technology to demonstrate PGMs fired from existing guns.

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#### ENGINEERING AND MANUFACTURING DEVELOPMENT ASW AND OTHER HELO DEVELOPMENT

The Navy requested \$86,547,000 for ASW and helicopter development. The Committee recommends \$97,547,000, an increase of \$11,000,000 to the budget request.

The increase includes \$1,000,000 only for development of AH-1W helicopter capability to utilize BOL chaff. In addition, \$10,000,000 is provided to begin accelerated development of shallow water performance enhancements of the Airborne Low Frequency Sonar to enable incorporation into the first ALFS production units.

#### AV-8B AIRCRAFT-ENGINE DEVELOPMENT

The Navy requested \$10,203,000 for AV-8B aircraft and engine development. The Committee recommends \$11,203,000, an increase of \$1,000,000 to the budget request to be used only for integration of the BOL chaff system into the aircraft.

#### AIR CREW SYSTEMS DEVELOPMENT

The Navy requested \$12,157,000 for air crew systems development. The Committee recommends \$15,157,000, the authorized level and an increase of \$3,000,000 over the request, only for project W0606, Aircrew Systems Development. The additional funding shall be provided for the aircrew integrated life support system/Navy Combat Edge (\$1.3 million) and the advanced technology crew station helmet vision system (\$1.7 million).

#### SHIP CONTRACT DESIGN

The Committee directs that the full budget request within PE0604567N for the LPD-17 effort be obligated and the Committee expects that the Navy will keep the LPD-17 amphibious ship on schedule for a fiscal year 1996 award.

#### NAVY TACTICAL COMPUTER RESOURCES

The Navy requested \$15,774,000 for Navy tactical computer resources. The Committee recommends \$18,774,000, an increase of \$3,000,000 to the budget request only to support commercial-off-the-shelf technologies for the Navy's AN/UYH-16 mass memory storage device.

#### ADVANCED ROCKET SYSTEM (ARS)

This Committee believes the ARS should be available for immediate production when future needs arise. ARS can provide both safety features and improved operational performance required by the Navy and USMC. The ARS development is nearly complete. In that light, this Committee fully supports the continued authorization for appropriation of \$14.7 million in Program Element 0604603N for the development of the Advanced Rocket System. The FY 1995 R&D funds will provide completion of design review and flight testing, resulting in shipboard qualification.

#### LIGHTWEIGHT TORPEDO DEVELOPMENT

The Navy requested \$10,284,000 for lightweight torpedo development. The Committee recommends an increase of \$3,000,000 to support development of an alternative to the MK50 lithium boiler and to further develop an alternative fuel boiler and manufacturing technologies to support the torpedo program.

#### FMU-143C/B MULTIFUSE SYSTEM

During Operation Desert Storm, a precision guided Hard Target Penetrator weapon with specialized fusing was demonstrated for attacking a wide variety of target sets. Recently, independent research and development toward improvement of the FMU-143B/B fuse has allowed for an even greater range of target sets. The fuse improvement includes: Increasing Arming Time selection from 2 to 16, increasing impact delay time selection from 1 delay time to 8, and allowing Navy fighter pilots to change Fuse Function Selections during flight. The discrete electronics logistics and circuitry is under improvement in a single, custom integrated circuit of few components and small size. Because of this important progress the Committee has included \$1,500,000 only to bring this fuse into current GBU-24B/B, FMU-143E/B programs, and for retrofitting all existing precision guided weapons systems including Air Force Systems currently using the FMU-B/B fuse systems.

#### RDT&E MANAGEMENT SUPPORT STUDIES AND ANALYSIS SUPPORT-NAVY

The budget request of \$6,058,000 includes growth of \$2,202,000 over the fiscal year 1994 funding level. Most of this growth is for project S2233, a new start project for naval surface warfare studies. The budget description does not present a compelling need for a new start since the activities are those normally included in existing wargaming

studies. Accordingly, the Committee recommends \$4,041,000, a reduction of \$2,017,000 associated with project S2233.

#### TECHNICAL INFORMATION SERVICES

The Navy requested \$1,776,000 for technical information services. The Committee recommends \$4,776,000, an increase of \$3,000,000 to the budget request. The increase is only to continue the ongoing advanced technical information support program.

#### TEST AND EVALUATION SUPPORT

The Navy requested \$293,609,000 for test and evaluation support. The budget request includes, within project W0654, \$19,546,000 for communications, purchased equipment maintenance, printing and reproduction, and purchased services contracts. The budget material does not present any information which explains why this portion of the project grows by more than 150 per cent in one year. Accordingly, the Committee recommends \$283,609,000 in fiscal year 1995, a reduction of \$10,000,000.

#### BASE OPERATIONS-RDT&E

The Navy has included a budget request for base operations of \$32,100,000 for the first time in fiscal year 1995. The budget material does not indicate that this funding is a transfer from some other portion of the Department of Defense budget, nor is there any information which would indicate these funds will be used to pay for new efforts. Rather, the activities funded have obviously been funded in the past in some other portion of the budget and must still be funded in other parts of the budget since no transfer source is identified. Accordingly, the Committee recommends denial of this budget item and reduces the budget request by \$32,100,000.

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#### OPERATIONAL SYSTEMS DEVELOPMENT STRATEGIC SUBMARINE AND WEAPONS SYSTEM SUPPORT

The budget request of \$52,361,000 is an increase of \$21,492,000 over the fiscal year 1994 funding level of \$30,869,000. Included in the budget request increase is \$15,000,000 for a Reentry Vehicle Industrial Base Sustainment program. The primary efforts planned include a technology survey, an assessment of the current industrial base capability, ground test evaluation of materials previously developed, and studies and evaluations of known industrial base deficiencies. None of these efforts appear to be particularly compelling in the current post-cold war environment. Accordingly, the Committee recommends denial of the program and reduces the budget request by \$15,000,000.

#### F/A-18 SQUADRONS

The Navy requested \$1,411,875,000 for F/A-18 squadron development. The Committee recommends an increase of \$2,000,000 only to allow integration of the BOL chaff system into the F/A-18 aircraft. Also included is an increase of \$10,000,000 to be used only for modification of the AN/USH-42 recorder to a digital configuration.

#### CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT

The Navy requested \$46,779,000 for consolidated training systems development. The Committee recommends \$49,779,000, an increase of \$3,000,000 to the budget request. The increase is only to continue the ongoing program for the Surface Tactical Team Trainer (OUTBOARD).

#### MARINE CORPS COMBAT SERVICES SUPPORT

The Navy budgeted \$6,173,000 for Marine Corps Combat Services Support. The Committee recommends \$2,628,000, a net reduction of \$3,545,000. The reduction includes \$1,545,000 for the medium tactical vehicle replacement program, consistent with House authorization action and long-standing Committee policy. The reduction also includes \$2,000,000 for the Combat Breaching Vehicle because of a program slip.

## SATELLITE COMMUNICATIONS

As discussed elsewhere in this report under Space and Related Programs, the entire request of \$47,115,000 for Satellite Communications has been transferred from RDT&E, Navy to RDT&E, Defense-Wide.

## DEFENSE METEOROLOGICAL SATELLITE PROGRAM (DMSP)

As discussed elsewhere in this report under Space and Related Programs, the entire request of \$14,639,000 for DMSP has been transferred from RDT&E, Navy to RDT&E, Defense Wide.

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### PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1995:

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### RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

Appropriations, 1994	\$12,314,362,000
New obligatory authority, 1995:	
Estimate	12,349,362,000
Recommended	10,728,533,000
Decrease	1,620,829,000

This appropriation funds the Research, Development, Test and Evaluation activities of the Department of the Air Force.

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### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with authorization action:

[In thousands of dollars]

	Request	HASC	HAC	Change
Command, Control and Communications Exploratory Development	\$95,444	\$85,444	\$85,444	-\$10,000
Nuclear Weapons Support	5,637	3,637	3,637	-2,000
C-17	221,454	105,154	105,154	-116,300
Systems Survivability (Nuclear Effects)	2,786	0	0	-2,786
Submunitions	26,680	12,680	12,680	-14,000
MEECN	40,795	35,795	35,795	-5,000

Information Systems Security Program	10,293	11,793	11,793	+1,500
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#### PROGRAM GROWTH/BUDGET EXECUTION ADJUSTMENTS

The budget request included amounts for some programs which exceed by unjustifiably large margins the amounts provided for fiscal year 1993 or 1994. Other programs had significant prior year unobligated balances, and budget adjustments are necessary due to poor budget execution. The Committee therefore recommends the following reductions:

[In thousands of dollars]

	Request	HASC	HAC	Change
Aerospace Flight Dynamics Exploratory Development	\$64,046	\$65,046	\$60,000	-\$4,046
Human Systems Technology Exploratory Development	52,518	52,518	49,000	-3,518
Aerospace Avionics Exploratory Development	74,673	74,673	67,000	-7,673
Civil Engineering and Environmental Quality Exploratory Development	7,045	7,045	6,500	-545
Logistics Systems Technology Advanced Development	18,200	18,200	15,000	-3,200
Aerospace Propulsion Subsystems Integration	29,941	21,941	21,941	-8,000
Aerospace Vehicle Technology Advanced Development	14,339	14,339	13,500	-839
Personnel Training and Simulation Advanced Development	9,241	9,241	9,000	-241
Electronic Warfare Technology Advanced Development	27,700	27,700	24,000	-3,700
Rand Project Air Force	28,039	28,039	27,000	-1,039
Development Planning	9,959	9,959	7,500	-2,459
Wargaming/Simulation	19,110	19,110	14,110	-5,000
Mission Planning Systems	14,483	14,483	9,483	-5,000

#### TRANSFER OF MAJOR SPACE PROGRAMS

As discussed elsewhere in the report under Space and Related Programs, a total of \$1,096,150,000 has been transferred from RDT&E, Air Force to RDT&E, Defense-Wide. Details of the transfers are as follows:

Program	P.E.	Amount of	Transfer
Advanced Spacecraft Technology	0603401F	\$24,200,000	
Space System Environment Interactions Tech.	0603410F	4,200,000	
Space Test Program	0603402F	62,064,000	
Advanced MILSATCOM	0603402F	22,095,000	
DMSP Block 6	0603434F	7,601,000	
Satellite Systems Survivability	0603438F	8,531,000	
Advanced Space Based TW/AA	0603441F	150,000,000	
MILSTAR LDR/MDR SatCom	0604479F	607,248,000	
UHF Satellite Communications	0303606F	20,879,000	
DSCS	0303110F	30,876,000	
Medium Launch Vehicles	0305119F	21,042,000	
Upper Stage Space Vehicles	0305138F	3,663,000	
Titan Space Launch Vehicles	0305144F	4,000,000	
DMSP	0305160F	21,135,000	
NAVSTAR GPS (Space & Control Sys)	0305165F	51,125,000	
Defense Support Program	0305911F	47,351,000	
NUDET Detection System	0305913F	10,140,000	

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#### BASIC RESEARCH DEFENSE RESEARCH SCIENCES

The Air Force requested \$235,805,000 for defense research sciences. The Committee recommends \$247,805,000, an increase of \$12,000,000 only for seismic research. The proliferation of nuclear weapons continues to be one of the most serious threats to the U.S. national security, emphasizing the need for an effective capability to seismically monitor potential nuclear tests. The Committee recommends \$12,000,000 only for the Joint Seismic Program and Global Seismic Network, administered by the Incorporated Research Institutions for Seismology. The Committee supports the \$4,000,000 included in the request for university based seismic research funded within this defense research sciences program. Since any delay in this program could harm the nation's ability to monitor a comprehensive nuclear test ban treaty, the Committee directs the Secretary of the Air Force to ensure expeditious obligation of these funds.

Within the amount requested by the Air Force for defense research sciences, a total of \$650,000 has been included for support to the Sacramento Peak Observatory in New Mexico. The Committee directs that the full amount be provided to Sacramento Peak and designates this project to be an item of specific Committee interest.

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#### EXPLORATORY DEVELOPMENT EXEMPTIONS FROM GENERAL REDUCTIONS

A table earlier in this report explains budget execution or growth reductions made to certain programs. The Committee directs that none of the reduction to the aerospace avionics exploratory development program be applied to project 2000: active electronics countermeasures or to project 7662: avionics data transmission and reception, and that none of the reduction to the electronic warfare advanced development program be applied to project 691X: onboard countermeasures or to project 2432: defense systems fusion.

#### AEROSPACE PROPULSION



The Air Force requested \$77,506,000 for aerospace propulsion. The Committee recommends \$80,506,000, an increase of \$3,000,000 only to continue the ongoing research project on coal-based thermally stable jet fuels.

#### ADVANCED WEAPONS

The Air Force requested \$125,202,000 for advanced weapons. The Committee recommends \$140,202,000. The increase of \$15,000,000 is allocated as follows: \$10,000,000 only for Thermionic Power Systems and \$5,000,000 only to initiate an integrated high performance rocket propulsion technology program at the Air Force's Phillips Laboratory at Edwards Air Force Base. The Committee directs that the Secretary of the Air Force ensure that there is no diversion of funds from either of these two programs.

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#### ADVANCED DEVELOPMENT ADVANCED MATERIALS FOR WEAPON SYSTEMS

The Air Force requested \$19,900,000 for advanced materials for weapon systems. The Committee recommends \$21,400,000, an increase of \$1,500,000 only for the National Center for Industrial Competitiveness.

#### AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION

The Air Force requested \$29,941,000 for aerospace propulsion subsystems integration. The Committee recommends \$21,941,000, a decrease of \$8,000,000 as recommended by the House Armed Services Committee in its fiscal year 1995 report to transfer ASTOVL funds to the JAST program.

#### ADVANCED AVIONICS FOR WEAPON SYSTEMS

The Air Force requested \$34,500,000 for advanced avionics for weapon systems. The Committee recommends \$37,500,000, an increase of \$3,000,000 only for development of the Advanced Anti-Radiation Guided Missile in conjunction with the Navy.

#### CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY

The Air Force requested \$16,600,000 for crew systems and personnel protection technology. The Committee recommends \$17,700,000, an increase of \$1,100,000 only for Project 2830, Advanced Life Support, to continue the integration of aircrew life support systems in order to increase situation awareness while reducing fatigue and pilot workload.

#### ADVANCED AVIONICS INTEGRATION

The Air Force requested \$24,500,000 for advanced avionics integration. The Committee recommends \$25,500,000, an increase of \$1,000,000 only for passive analysis of background acoustics for non-cooperative target identification.

#### SPACE AND MISSILE ROCKET PROPULSION

The Air Force requested \$11,800,000 for space and missile rocket propulsion programs. The Committee recommends \$14,300,000, an increase of \$2,500,000 to allow a more robust technology demonstration effort at the Air Force's Phillips Laboratory at Edwards Air Force Base. The Secretary of the Air Force is directed to ensure that no portion of this increase in funding be diverted to other programs.

#### BALLISTIC MISSILE TECHNOLOGY

The Air Force requested \$10,000,000 for ballistic missile technology. The Committee recommends \$5,000,000, a decrease of \$5,000,000 to defer work on re-entry vehicle phenomenology due to fiscal constraints.

#### ADVANCED RADIATION TECHNOLOGY

The Air Force requested \$59,500,000 for advanced radiation technology. The Committee recommends \$79,500,000, an increase of \$20,000,000 only for excimer laser technology.

#### C3 ADVANCED DEVELOPMENT

The Air Force requested \$9,925,000 for command, control, and communications advanced development. The Committee recommends \$10,925,000, an increase of \$1,000,000 only for a technology demonstration at Rome AFB on decision support technology.

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#### ENGINEERING AND MANUFACTURING DEVELOPMENT SPECIALIZED UNDERGRADUATE PILOT TRAINING

The Air Force requested \$41,633,000 for specialized undergraduate pilot training. The Committee recommends \$20,000,000, a reduction of \$21,633,000 to the Joint Primary Aircraft Training System (JPATS). The Air Force's plan to spend \$285,000,000 on research and development for a program which started as an "off-the-shelf" procurement is not affordable in a declining budget environment. The Committee believes that the fiscal year 1995 RDT&E request for JPATS is overstated since exact requirements will not be known until the contract source selection has been made in 1995.

#### F-22

The Air Force requested \$2,461,149,000 for engineering and manufacturing development of the F-22 aircraft. The Committee recommends \$2,443,349,000, a decrease of \$17,800,000 to the amount included in the request for contract award fees. DOD policy requires budgeting for the full cost of award fees. In the case of the F-22, in the six award fee determinations which have been made for each six month period since the EMD contract was signed, the Air Force has not awarded 100 percent of the award fee to the airframe and engine contractors. Given the magnitude of the amount of award fees involved in this program, for which about \$169,000,000 is requested in the fiscal year 1995 budget alone, this has resulted in a significant windfall to the F-22 program which is not necessary. The Committee recommends a reduction of \$17,800,000 to adjust the fiscal year 1995 award fee request to what has been the historical level of funding. This action is not intended to in any way preclude the Air Force from awarding up to the entire possible amount allowed under the contract, but the additional funds for so doing would have to come from program management reserves that currently have no defined purpose for which the Committee has provided a full allocation.

#### NIGHT/PRECISION ATTACK

The Air Force requested \$21,672,000 for night/precision attack. The Committee recommends \$4,672,000, a reduction of \$17,000,000 to defer funds for the LANTIRN "spot-mode" development. The Committee notes that the Air Force's budget justification predicts contract award for these funds very late in the fiscal year, and the Air Force has not yet obligated either the 1993 or 1994 funds for this project.

#### AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM

The Air Force requested \$97,399,000 for engine component improvement. The Committee recommends \$95,399,000, a reduction of \$2,000,000. The Committee recommends that \$1,000,000 requested for improvements to the B-2 engine be denied without prejudice since there are no known deficiencies in the engine at this time. The Committee also recommends that funds for improvements to the F-111 engine be reduced by \$1,000,000 due to fiscal constraints.

#### NATIONAL LAUNCH SYSTEM

The Air Force requested \$10,176,000 for the National Launch System. The Committee has deleted the entire request based upon the significant increases being provided for Space Launch initiatives discussed elsewhere in this report under Space and Related Programs.

## ARMAMENT/ORDNANCE DEVELOPMENT

The Air Force requested \$10,853,000 for armament/ordnance development. The Committee recommends \$18,853,000, an increase of \$8,000,000 only for initial design and trade studies of the conventional air launched cruise missile anti-armor variant.

## SUBMUNITIONS

The Air Force requested \$26,680,000 for development of submunitions. The Committee recommends \$12,680,000, a decrease of \$14,000,000 which defers the new start "wind corrected munition" development due to fiscal constraints as recommended by the House Armed Services Committee in its fiscal year 1995 report.

## AIR BASE OPERABILITY

The Air Force budgeted \$9,580,000 for air base operability. The Committee recommends \$5,606,000, a reduction of \$3,974,000. The reduction includes \$3,224,000 for the Mobile Ordnance Disrupter System (MODS) and \$750,000 for the Armored Multi-Role Vehicle (ARMRV).

The Committee believes that the MODS is a high cost, high tech successor to the discredited MARV/SMUD, which was terminated by the Air Force several years ago after being criticized by the Committee. The Committee recommendation for MODS terminates the program.

With respect to the ARMRV, the Committee believes that this program should be coordinated and funded by the Office of the Secretary of Defense and avoid proliferation of such vehicles within the Department.

## COMPUTER RESOURCE TECHNOLOGY TRANSITION

The Air Force requested \$6,621,000 for computer resource technology transition. The Committee recommends \$21,121,000, an increase of \$14,500,000, of which \$4,000,000 is only for the Central Archives for Reusable Defense Software (CARDS) project and \$8,500,000 is only for the IMIS/CAMS-REMIS/TICARRS test as explained in the Information Technology Systems section of this report.

## C-130J

The Air Force requested no funds for the C-130J program in fiscal year 1995. The Committee recommends \$5,000,000 for this program. The additional funding provided by the Committee shall be available only for trade studies and actual flight testing of the C-130J aircraft in support of active Air Force tactical airlift modernization plans. It is the Committee's understanding that the Air Force intends to transfer two C-130J aircraft to the active force to begin evaluation of this latest version of the C-130 aircraft series. The Committee strongly endorses this approach and urges the Air Force to continue with acquisition of the C-130J upon completion of successful flight testing.

The Committee also understands that the Marine Corps has a valid requirement to replace its aging active duty KC-130F airborne refueler/tanker fleet. It is also understood that meeting this requirement would require only minimal changes to the C-130J configuration. The Committee encourages the Air Force to coordinate with the Marine Corps to consider and incorporate Marine Corps mission requirements during the C-130J research and development effort.

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## RDT&E MANAGEMENT SUPPORT THREAT SIMULATOR DEVELOPMENT

The Air Force requested \$40,075,000 for threat simulator development. The Committee recommends \$45,075,000, an increase of \$5,000,000 only for REDCAP options "C" and "E" upgrades.

## NAVIGATION/RADAR/SLED TEST TRACK SUPPORT

The Air Force requested \$26,023,000, for navigation/radar/sled test track support. The Committee recommends \$30,023,000, an increase of \$4,000,000 only for upgrades to the Holloman AFB sled track.

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#### OPERATIONAL SYSTEMS DEVELOPMENT F-111 SQUADRONS

The Air Force requested \$11,019,000 for development of improvements to the F-111 aircraft. The House Armed Services Committee proposed a reduction of \$9,515,000 to the request based on revised pricing from the Air Force on the termination costs for the stores management system which was terminated when the Air Force decided to retire all F-111 aircraft by 1999. Rather than reducing the budget to eliminate these excess funds, the Committee recommends \$9,515,000 to be used only for development of safety modifications which are needed for F-111 aircraft before they are retired in 1999 or for the EF-111 fleet. The Committee directs that none of these funds be obligated until 30 days after the Secretary of the Air Force submits a report to the Armed Services and Appropriations Committees of Congress stating whether such safety modifications are needed and how the additional funds recommended by the Committee for this purpose would be used. The recommendation by the Committee to provide funds for F-111 safety modifications should not be construed to interfere with the Air Force's decisions to retire F-111F aircraft or to terminate the stores management system.

#### F-16 SQUADRONS

The Air Force requested \$93,157,000 to develop upgrades to the F-16 aircraft. The Committee recommends \$56,057,000, a reduction of \$37,100,000 to defer engineering and manufacturing development of the close air support upgrade to the aircraft, since over eighty percent of the fiscal year 1994 funds in this program element remain unobligated and will not be on contract until late in fiscal year 1994.

#### THEATER MISSILE DEFENSES

The Air Force requested \$79,302,000 for theater missile defenses. The Committee recommends \$27,302,000, a reduction of \$52,000,000 for boost phase intercept. The Committee believes that if this program is pursued by the Defense Department, it should be structured to meet joint service requirements and be subject to the priorities and disciplines inherent in the Ballistic Missile Defense program for which this bill provides about \$2,750,000,000.

#### SATELLITE CONTROL NETWORK

The Air Force requested \$101,146,000 for the Satellite Control Network. As discussed elsewhere in this report under Space and Related Programs, the Committee recommends \$15,000,000, a reduction of \$86,146,000.

#### NATIONAL AIRSPACE SYSTEM

The Air Force requested \$30,980,000 for its share of development of the national airspace system. The Committee recommends \$20,980,000, a reduction of \$10,000,000 to reflect a six month slip in the engineering manufacturing development program which occurred in fiscal year 1994 after the President's fiscal year 1995 budget was submitted to Congress.

#### TITAN SPACE LAUNCH VEHICLES

The Air Force requested \$161,096,000 for Titan Space Launch Vehicles. Of that amount, \$4,000,000 is for Titan II and the remaining \$157,096,000 is for Titan IV. As discussed elsewhere in this report under Space and Related Programs, all funds for Titan II are being transferred to RDT&E, Defense-Wide and all funds for Titan IV are being transferred to the National Reconnaissance Office. Consequently, the entire \$161,096,000 has been deleted from this appropriation request.

#### CHEYENNE MOUNTAIN

The Air Force requested \$100,520,000 to continue development of upgrades for the computer systems within the Cheyenne Mountain complex. The Air Force has spent billions of dollars since the mid-1970s to upgrade and operate the computers in Cheyenne Mountain with limited success. The General Accounting Office has recently provided information to the Committee which indicates that major program milestones cannot be met. This contradicts testimony from many Air Force witnesses before the Committee during the last several years that this program is finally "on-track." The Committee is particularly disturbed to find that the Air Force is declaring systems to be "operational," only to have them subsequently flunk initial operational testing. The Air Force apparently then uses O&M funds, rather than R&D funds, to correct software deficiencies. This practice hides the true cost of the upgrades from the Congress, Office of the Secretary of Defense, and leadership of the Air Force while making it appear that the Air Force is living within its \$1.6 billion program cost cap that involves only investment funds. The Committee recommends \$133,020,000, an increase of \$32,500,000 to transfer \$41,500,000 budgeted in the O&M, Air Force account for software improvements to Cheyenne Mountain computer systems to the R&D account and to eliminate \$9,000,000 for SPADOC computer upgrades for the backup air warning center which have been cancelled by the Air Force. The Committee directs the Secretary of the Air Force to provide a report to the Appropriations and Armed Services Committees of Congress by February 1, 1995 on Air Force plans to successfully field computer upgrades in the Cheyenne Mountain complex. The Committee directs that no more than half of the investment funds appropriated for Cheyenne Mountain may be obligated until the Air Force develops an interface control document which defines the interfaces between all computers and sensors in or connected to Cheyenne Mountain.

#### DEFENSE SUPPORT PROGRAM

The Air Force requested \$76,351,000 for the Defense Support Program. At the request of the Air Force, \$9,000,000 has been deleted from this account and transferred to Procurement, Defense-Wide. In addition, \$10,000,000 has been deleted for failure to be authorized. As discussed elsewhere in this report under Space and Related Programs, the remaining \$47,351,000 has been transferred to RDT&E, Defense-Wide.

#### MAJOR TEST AND EVALUATION INVESTMENT

The Committee strongly supports the Air Force's budget request to upgrade the Electronic Combat Integrated Test Facility at Edwards AFB.

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#### PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1995:

Offset folios 00198 to 00202 Insert here \*\*\*TABLE GOES HERE\*\*\*

#### RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

Appropriations, 1994	\$8,838,690,000
New obligational authority, 1995:	
Estimate	9,416,855,000
Recommended	9,419,955,000
Increase	3,100,000

This appropriation funds the Research, Development, Test and Evaluation activities of centrally managed programs and the Defense Agencies.

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#### COMMITTEE RECOMMENDATIONS AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with authorization action:

[In thousands of dollars]

	Request	HASC	HAC	Change
Historically Black Colleges and Universities	\$15,000	\$25,000	\$25,000	+\$10,000
Tactical Technology	111,343	126,343	126,343	+15,000
Integrated Command and Control Technology	67,950	92,950	92,950	+25,000
Electric Vehicles	0	10,000	10,000	+10,000
DMA Mapping, Charting, and Geodesy Production	67,008	57,008	57,008	-10,000
Cooperative DOD/VA Medical Research	0	30,000	30,000	+30,000

#### BASIC RESEARCH UNIVERSITY RESEARCH

The Defense Department requested \$232,492,000 for university research initiatives. The Committee recommends \$234,992,000, an increase of \$2,500,000 only for the adoptive optics project authorized by the House Armed Services Committee in its 1995 report.

The Committee has provided \$20,000,000 from within available funds only for the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR). Guidelines for this program were set forth in the fiscal year 1993 Department of Defense Appropriations conference agreement and the Committee directs the Department to follow them. The Committee is concerned that the Secretary of Defense has not coordinated effectively with the Directors of the National Science Foundation, the Office of Science and Technology Policy, and the state-based EPSCoR committees and directs that this consultation be taken seriously. Following this consultation, the Department should conduct additional merit-based competitions for grants in areas of science, mathematics and engineering important to its mission. Awards should focus on those proposals which strengthen infrastructure, enhance research, and develop human resources so as to assist the EPSCoR states to become more competitive for regular research and training grants. All program solicitations should be coordinated with and made to the state EPSCoR committees and great weight should be given to the likely impact an award will have on the states overall EPSCoR program.

#### FOCUSED RESEARCH INITIATIVES

The Department requested \$20,000,000 to continue its focused research initiatives. The Committee recommends \$12,000,000, a reduction of \$8,000,000 due to fiscal constraints. The Committee recommends that within the amount provided, priority be given to continuation of the National Medical Testbed project.

#### EXPLORATORY DEVELOPMENT COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY

ARPA requested \$419,608,000 for computing systems and communications technology. The Committee recommends \$425,608,000, an increase of \$6,000,000 only to competitively establish an intelligent metacomputing center.

Intelligent metacomputing, a form of computing where the network is the computer, offers numerous benefits to the Department of Defense. This emerging concept requires supercomputers and their interconnecting networks to become an intelligent metacomputer able itself to allocate computing resources best suited to completion of a given task. The primary issue involved in metacomputing is one of intelligent system integration at the level of multivendor

supercomputers. Development of metacomputing capabilities would not only address technological issues of system integration at the highest levels, but also offer a unique opportunity to seriously address training issues associated with the supercomputer revolution and the National Information Network. Developments in metacomputing and visualization could also promote spinoff transitioning of supercomputer technology in such areas as ship design and stores, practical training with simulation and virtual reality, as well as the development of broad based, high risk technologies with substantial commercial applications. Because of these potential benefits to the Department of Defense, the Committee directs that not less than \$6,000,000 be competitively awarded to a qualified institution of higher education with expertise and established programs in computational sciences and informatics capable of conducting research and development that will lead to the establishment of an interoperative intelligent metacomputing test bed.

Within the amount provided for this program, the Committee urges that the investigation and usage of clustered high performance computing systems be accelerated as collocated, cost-effective, generally applicable supplements to largescale mature high performance computing systems which were installed by the High Performance Computing and Communications Program using fiscal years 1993 and 1994 funds.

#### TACTICAL TECHNOLOGY

The Defense Department requested \$111,343,000 for tactical technology. The Committee recommends \$126,343,000, an increase of \$15,000,000 only for simulation based design as recommended by the House Armed Services Committee in its fiscal year 1995 report. Within the \$15,000,000, \$5,000,000 is only for a project in simulation based design in conjunction with shipbuilding and mobile off shore basing. The Committee also fully supports ARPA's ship systems automation initiative which is directed toward achieving a significant reduction to the manning requirements for future Navy ships. While the primary purpose of this program is to achieve significant manpower reductions, the automation of ship combat systems is required to assure timely reaction to advanced threats, and therefore these technologies are required for antiship missile defense.

#### INTEGRATED COMMAND AND CONTROL TECHNOLOGY

ARPA requested \$67,950,000 for integrated command and control technology. The Committee recommends \$92,950,000, an increase of \$25,000,000 as proposed by House Armed Services Committee in its 1995 report. Within the amount provided, an additional \$4,000,000 is only for high definition camera development and an additional \$3,000,000 is only for dry etching equipment utilization.

The Committee directs that \$4,000,000 be used only to enhance the existing ARPA sponsored, NASA managed research program in gallium arsenide and zinc oxide overlaid acoustic charge transport devices technological development, to include the integration of these devices into high definition television cameras suitable for military use. This program will result in a progressively scanned 1080 line, 1920 pixel per line, solid state camera capability and in development of a high resolution imager chip capable of frame rates of 170 frames per second with a resolution of 2 megapixels per frame.

The Committee also directs that \$3,500,00 be provided only for dry etching equipment utilizing reactive ion etch technology and that ARPA assign these funds to support research by a supplier to the United States Display Consortium. This technology is one area where the United States is lacking infrastructure to build flat panel displays. Funding constraints have limited the USDC to pursue only one technical solution. The funding of proven reactive ion etch technology will guarantee the flat panel display industry equipment with performance of at least parity to that available from foreign manufacturers. It will also provide the flat panel display industry with a leader-follower supplier relationship that competes on quality, cost, and performance.

The Committee urges that within the Flat Panel Display initiative and the ARPA core technology development program that priority be given to the development of emissive, large area, full color, video flat panel displays using AC plasma technology.

#### MATERIALS AND ELECTRONICS TECHNOLOGY

ARPA requested \$224,828,000 for materials and electronics technology. The Committee recommends \$241,828,000, an increase of \$17,000,000 of which \$2,000,000 is only for research and development projects which accelerate the use of aluminum beryllium alloys to meet military and commercial applications as recommended by the House Armed Services Committee in its fiscal year 1995 bill, \$14,000,000 is only to continue Phase III of the infrared materials producibility project in order to transition materials to production and \$1,000,000 is only to continue microballoon technology development.

#### DEFENSE NUCLEAR AGENCY

The Defense Nuclear Agency (DNA) requested \$231,978,000. The Committee recommends \$230,978,000, a reduction of \$1,000,000. This includes a reduction of \$5,000,000 in response to a GAO report (NSIAD-94-136) that recommends that the Director of the Arms Control Disarmament Agency and the Secretary of Defense reach an agreement with the Preparatory Commission of the Organization for the Prohibition of Chemical Weapons on how the United States can be reimbursed for some of the costs of U.S. research and development efforts which directly support the chemical weapons verification regime. The United States has taken a leadership role in developing a verification system, but with the establishment of the Preparatory Commission, a mechanism now exists for sharing the costs of the development. In addition, GAO finds that the Chemical Weapons Convention is unlikely to meet its entry-into-force target date of January 1995, so the need for a verification regime is delayed.

The DNA request included \$10,000,000 for work on electrothermal chemical (ETC) gun technology. The Committee recommends \$6,000,000 for this activity, a reduction of \$4,000,000. The Committee concurs with the House Armed Services Committee's proposed reduction of \$4,000,000 for the development and demonstration of a long-range, precision-guided projectile by the DNA. This activity is outside the scope of the Memorandum of Agreement between the Department of the Navy and the DNA on the demonstration of electric-thermal gun propulsion in a 5-inch gun.

The Committee recommends an increase of \$2,000,000 only to continue to examine the effects of long pulse, high power microwave technologies on selected weapon systems. The Agency will conduct additional laboratory and live fire field testing against a wider array of systems including communications, command and control, aircraft, missiles, and ships.

The Committee recommends an increase of \$3,000,000 only to continue DNA's ongoing high risk interdisciplinary bioenvironmental hazards research into the health, engineering and basic science aspects of environmental problems of special interest to the Department.

The Committee also recommends \$3,000,000 only for the Nevada operations office for evaluating and assisting the transfer of technologies developed at the Nevada Test Site to the private sector, development of infrastructure to support future defense program needs at the Nevada Test Site, and environmental aspects of new or proposed projects seeking to locate at the Test Site.

#### BALLISTIC MISSILE DEFENSE

The Department requested \$2,979,855,000 for Ballistic Missile Defense research and development programs. The Committee recommends \$2,491,762,000 for the Ballistic Missile Defense Organization's (BMDO) research and development programs, a reduction of \$488,093,000. This level of funding is the same as proposed by the House Armed Services Committee. The Committee recommends specific changes in Ballistic Missile Defense Organization programs as detailed in the table below.

#### MODIFICATIONS TO BMD PROGRAM

[In thousands of dollars]

Project	Request	HASC	HAC	Change
PE 0602217				
Ballistic Missile Defense Technology	106,460	73,460	73,460	-33,000



PE 0603216				
Theater Missile Defense	491,131	480,281	581,381	+102,250
Sea-Based Wide Area Defense	17,750	40,000	120,000	+102,250
PE 0603217				
Ballistic Missile Defense Technology	769,993	584,393	444,283	-325,710
BPI	61,100	33,600	17,725	-43,375
ChemLaser	77,500	20,500	20,500	-57,000
Undistributed Reduction to NMD	0	0	-225,335	-225,335
PE 0604216				
Theater Missile Defense	1,071,283	974,040	976,050	-95,233
Patriot	69,240	0	69,240	0
ERINT	58,460	0	58,460	0
Lower Tier Risk Reduct	0	210,000	0	-210,000
THAAD	495,690	495,690	480,000	-15,690
Sea Based TMD INT	179,543	0	100,000	-79,543
PE 0603218				
Research & Support Activities	215,233	198,833	198,833	-16,400

The Committee is supportive of BMDO's theater missile defense programs. The Committee agrees with the House Armed Services Committee that the theater missile threat deserves top priority. Therefore, the Committee generally recommends funding theater missile defense programs at the budget request level. However, in the case of the sea-based wide area defense program (formerly the Navy-upper tier program), the Committee provided a significant increase over the budget request. The Committee includes bill language to earmark \$120,000,000 only for sea-based wide area defense, an increase of \$102,250,000 over the budget request.

Regarding the boost phase intercept (BPI) program, the Committee agrees with the House Armed Services Committee report that the Department's emphasis on the program is unwarranted considering the technological challenges, the possibility of countermeasures, and possible Anti-Ballistic Missile compliance issues. Furthermore, the Committee believes that BMDO cannot afford to initiate development of another expensive technology. BMDO projects that the Corps SAM and sea-based wide area defense programs each need \$157,300,000 for development through 1999 and the BPI program needs \$372,300,000. Since BMDO also projects that its budget will be sufficient to support the acquisition of only one of these advanced capability programs, the Committee does not believe all three programs can be fully funded through development. In addition, the Bottom-Up Review emphasized Navy-upper tier rather than Corps SAM or BPI. Therefore, the Committee recommends \$17,725,000 for the BPI program, which is the same level of funding being provided to Corps SAM.

The Committee recommends \$20,500,000 for the chemical laser program, a decrease of \$57,000,000, due to budget constraints. The House Armed Services Committee provided the same level of funding for this program.

The Committee recommends an undistributed reduction to national missile defense programs of \$225,335,000 due to budget constraints and the lower priority of these programs.

The Committee is pleased with the selection of the Extended Range Interceptor (ERINT) missile as the interceptor for the PAC-3 system. The fiscal year 1995 budget request includes \$58,500,000 for risk reduction/mitigation. The PAC-3 Missile Review Board has pointed out that some level of risk remains, and that areas of concern include, but are not limited to: maneuvering re-entry vehicles; low latitude, low radar cross section cruise missiles; electronic counter measures and electronic counter-counter measures; and relocation of payload on threat vehicles.

Accordingly, the Committee directs that the risk reduction/mitigation efforts shall focus on the important task of adapting the PAC-3 missile to the Patriot system. This will include additional component testing and while no further launches of the integrated multi-mode missile will be conducted, this will not preclude multi-mode component testing on board aircraft. These efforts will insure the deployment of a fully capable PAC-3 system in fiscal year 1998.

The theater high altitude area defense (THAAD) system has experienced a schedule slip in its flight tests. The Committee believes that additional schedule slips are possible before resolution of negotiations with Russia and the other successor states to the Anti-Ballistic Missile treaty over whether the THAAD system and testing of the system is compliant with the treaty.

The Committee agrees with the concerns of the House Armed Services Committee about the sea-based theater missile defense program. BMDO needs to reconsider using a hit-to-kill warhead rather than a blast fragmentation warhead. However, the Committee does not agree with the potential reduction to the sea-based theater missile defense program that could occur by including it in the lower tier risk reduction line. If ERINT risk reduction and Patriot demonstration/validation (the other two items included in the House Armed Services Committee's lower tier risk reduction effort) were fully funded, sea-based theater missile defense would receive less than half of its request. Therefore, the Committee recommends \$100,000,000 for sea-based theater missile defense.

The Committee recommends \$198,833,000 for research and support activities, a decrease of \$16,400,000, due to budget constraints. The House Armed Services Committee provided the same level of funding for this program.

#### ADVANCED DEVELOPMENT JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT

The Defense Department requested \$14,415,000 for joint DOD-DOE munitions technology development. The Committee recommends \$24,415,000, an increase of \$10,000,000 only for the continuing development of neutron generators and other areas of mutual DOD/DOE interest.

#### EXPERIMENTAL EVALUATION OF MAJOR INNOVATIVE TECHNOLOGIES (EEMIT)

ARPA requested \$609,331,000 for EEMIT. The Committee recommends \$649,817,000, an increase of \$40,486,000 in the following projects:

[Dollars in thousands]	
ASTOVL to JAST	-20,014
UAV reprogramming request dated May 12, 1994, except Thorn Shield	-27,500
Carbonate fuel cells	+5,000
MSAG generic antennae development for communications, radar, and electronic warfare to be tested in the medium range UAV	+8,000
Tactical support satellite	+30,000
IFSAR	+7,000
Phosphoric acid fuel bus prototype	+12,000
Mobile offshore basing and Quay causeway development	+15,000
Ocean reconfigurable craft, advanced (ORCA)	+2,000
Low emission boiler demonstration project	+2,000
System for Effective Control of Urban Environmental Security (SECURES)	+2,000
Deep Ocean Relocation	+5,000

The Committee recommends an additional \$7,000,000 only to continue the development, application, and testing of IFSAR technology which is an airborne, radar based, terrain mapping system with an emphasis on both defense and civil applications. The Committee also recommends \$2,000,000 only for the System for Effective Control of Urban Environment Security, which is a dual-use system development intended to leverage defense technology for the purpose of instantaneously detecting and pinpointing the location of gunfire. It could aid civilian law enforcement in urban environments and provide security for peacekeeping missions undertaken by the military.

The Committee reaffirms the importance of fuel cell technology to the military by continuing the demonstration of a carbonate-based, two megawatt fuel cell power plant at a representative military base. The Committee is pleased to note that the Departments of Defense and Energy are coordinating their respective direct fuel cell programs to ensure that they complement each other. The Committee recommends \$5,000,000 only to continue this project which is proceeding in compliance with the fiscal years 1993 and 1994 Department of Defense Appropriations Acts.

The Committee reiterates the concern expressed in last year's report about proliferation of competent diesel electric submarines and the state of our antisubmarine warfare technology to counter this threat. Therefore, the Committee believes that priority should be given to programs directed toward the littoral ASW problem.

The Committee directs that the Secretary of Defense provide funds appropriated in the Department of Defense Appropriation Act for fiscal year 1994 for development of mobile off shore bases to ARPA for immediate obligation.

## ADVANCED SUBMARINE TECHNOLOGY

ARPA requested \$25,261,000 for advanced submarine technology development. The Committee recommends \$38,761,000, an increase of \$13,500,000 of which an additional \$2,000,000 is only for automated welding, an additional \$7,500,000 is only for active structural control, \$3,000,000 is only for drag reduction research, and an additional \$1,000,000 is only for the submarine surface topography defense system.

The Committee is aware that the Department is conducting testing in electromagnetic turbulence control, a potential breakthrough technology for significantly reducing the friction drag on marine vehicles, increasing the efficiency of heat exchangers, and controlling flow in aircraft and reentry vehicles. Because of the potential significance of this technology, the Committee believes that an additional investment should be made to mature this program. The Committee recommends an additional \$3,000,000 only to accelerate the large scale testing program, develop manufacturing techniques to permit affordable acquisition, evaluate the multiple commercial applications of this technology, and disseminate research results to other Federal agencies for investigation of other nonmarine applications.

The Committee is aware that the Navy has a requirement for an integrated, passive, topographic navigation and defense system for submarines. Such a system could significantly enhance the effectiveness and safety of submarine operations. The Committee recommends \$1,000,000 only for a proof of concept demonstration of the surface topography defense system.

## MANUFACTURING TECHNOLOGY

The Committee denies the Department's request to initiate a centrally managed manufacturing technology development program. Funds have been provided instead in the Service appropriation accounts.

## STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM

The Department requested \$111,907,000 for the Strategic Environmental Research Program (SERDP). The Committee recommends \$96,907,000, a reduction of \$15,000,000 to the budget request. The Committee makes this recommendation without prejudice noting the low obligation rates experienced by the SERDP program in fiscal year 1994.

## MAJOR SPACE PROGRAM FUNDING

As discussed elsewhere in this report under Space and Related Programs, a total of \$1,386,020,000 in research and development funding for major space programs has been transferred to RDT&E, Defense-Wide. The following table details these transfers.

[In thousands of dollars]		
Program	Program element	Transfer amount
Satcom Ground Environment	0303142A	95,191
Satellite Communications	0303109N	47,115
Defense Meteorological Satellite Program (DMSP)	0305160N	14,639
Advanced Spacecraft Technology	0603401F	24,200
Space Systems Environmental Interactions Technology	0603410F	4,200
Space Test Program	0603402F	62,084
Advanced Milsatcom	0603430F	35,000
Defense Meteorological Satellite Program Block 6	0603434F	7,601
Satellite Systems Survivability	0603438F	8,531

Brilliant Eyes	0603440F	120,000
Advanced Space Based TW/AA (DEM VAL)	0603441P	150,000
Milstar LDR/MDR Sat Comm	0604479F	607,248
UHF Satellite Communications	0303606F	20,879
Defense Satellite Communications System	0303110F	30,876
Medium Launch Vehicles	0305119F	21,042
Upper Stage Space Vehicles	0305138F	3,663
Titan Space Launch Vehicles	0305144F	4,000
Defense Meteorological Satellite Program (DMSP)	0305160F	21,135
Navstar Global Positioning System (Space and Controls)	0305165F	51,125
Defense Support Program	0305911F	47,351
Nudet Detection System	0305913F	10,140

#### ADVANCED SPACECRAFT TECHNOLOGY

As a part of the centralization of major space programs, \$24,200,000 has been transferred from RDT&E, Air Force (P.E. 0603401F) for Advanced Spacecraft Technology. In addition, as discussed elsewhere in this report under Space and Related Programs, \$40,000,000 is being provided for the Tactical Support Satellite being developed by the Advanced Research Projects Agency. A total of \$64,200,000 is being provided for this program.

#### BRILLIANT EYES

As discussed elsewhere in this report under Space and Related Programs, within the RDT&E, Defense-Wide appropriation the \$120,000,000 requested for Brilliant Eyes under Ballistic Missile Defense Technology (P.E. 0604217C) has been transferred to a new program line.

#### ADVANCED SPACE-BASED TW/AA/ALARM

As discussed elsewhere in this report under Space and Related Programs, the Committee has provided a total of \$330,000,000, an increase of \$180,000,000, in RDT&E, Defense-Wide for accelerated development of the ALARM program.

#### SPACE LAUNCH INITIATIVE

As discussed elsewhere in this report under Space and Related Programs, \$140,000,000 has been provided for space launch initiatives.

#### COMMERCIAL COMMUNICATIONS

As discussed elsewhere in this report under Command, Control, Communications, and Intelligence, the Committee has provided \$10,000,000 for continued development of better ways to exploit non-developmental commercial communications technologies.

#### COMPUTER AIDED LOGISTICS SUPPORT (CALS)

The Department requested \$13,090,000 for CALS. The Committee recommends \$15,090,000, an increase of \$2,500,000 only for the CALS integrated weapons system data base pilot program. The Committee understands that the Navy has included funding for the Rapid Acquisition of Spare Parts Program in this program for \$6,200,000 and in the Defense Business Operations Funds for \$11,000,000, both of which the Committee designates to be of special interest.

#### MANUFACTURING TECHNOLOGY

ARPA requested \$346,129,000 for manufacturing technology development of electronics. The Committee recommends \$411,229,000, an increase of \$65,100,000. This consists of an additional \$70,000,000 for advanced lithography as recommended by the House Armed Services Committee in its 1995 report, an increase of \$100,000 only for coronary angiography, and a decrease of \$5,000,000 proposed by ARPA in its UAV reprogramming request dated May 12, 1994. Within the amount provided for advanced lithography, \$1,700,000 is only for synchrotron X-ray aligners; \$4,700,000 is only for point source aligners; and \$7,500,000 is only for deep ultraviolet lithography tools.

#### ELECTRIC VEHICLES

The Department did not request funds to continue research and development of electric vehicles for military applications. The Committee recommends \$10,000,000 as proposed by the House Armed Services Committee in its 1995 report. The Committee encourages the Defense Department to buy electric vehicles for its facilities in those parts of the country which have the most severe air pollution problems when practicable to meet vehicle acquisition inventory objectives.

#### ADVANCED CONCEPTS TECHNOLOGY DEMONSTRATIONS (ACTDS)

The Department requested \$50,000,000 for an OSD fund to augment service R&D programs that are designated as advanced concepts technology demonstrations. The Committee recommends that these funds be denied. The Committee is not opposed to ACTD programs per se, but does not agree to provide funding for them in multiple locations within the Defense budget.

#### HIGH PERFORMANCE COMPUTING MODERNIZATION

The Department requested \$183,048,000 for high performance computing modernization. The Committee approves the request in full, but recommends \$53,048,000 in the RDT&E account and \$130,000,000 in procurement. The Committee has included a general provision in the bill (Sec. 8090) which broadens the Department's program to meet the needs of all potential DoD users, not just those in the research community. The Committee understands that the Department has amended its High Performance Computing Modernization Plan to comply with the statutory language adopted in the Department of Defense Appropriation Act for fiscal year 1994. The Department now intends to focus the program on the procurement of operational computers to fulfill user needs. The Committee is concerned, however, with two aspects of the program. First, the Department has experienced an extremely slow obligation rate, leading to a backlog of modernization requirements. Second, the program does not provide high performance computers to essential DOD components outside of the cognizance of the Director of Defense Research and Engineering. The Committee supports full funding for the program, but urges the Department to make effort to obligate the funds in an expeditious manner.

#### CONSOLIDATED DOD SOFTWARE INITIATIVE

The Committee does not agree to the Department's proposal to fund advanced software language development programs, such as the Ada computer programming language, in O&M instead of RDT&E as has traditionally been done. The Committee recommends \$27,500,000 in R&D, and a corresponding reduction of \$10,800,000 in the O&M, Defense-wide appropriation. Within the amount provided, \$5,000,000 is only for Ada 9-X language development under the auspices of the Joint Ada project office at Kirtland AFB and \$7,500,000 is only for the Reuse Technology Adoption Program.

#### JOINT WARGAMING SIMULATION MANAGEMENT OFFICE

The Department requested \$68,117,000 for wargaming and simulation. The Committee recommends \$28,117,000, a reduction of \$40,000,000 due to poor budget execution of the fiscal year 1994 program due to the findings of a recent DOD/IG report on the program and subsequent delay while the program was reorganized.

#### ROCKET MOTOR DEMILITARIZATION

The Department did not request any funds for the solid rocket demilitarization program. The Committee recommends \$4,500,000 only to continue and complete the demonstration of the disposal of energetic materials by

underground contained burn in the existing tunnels at the Nevada Test Site. The Committee also recommends expanding the demonstration project to include disposal of non-nuclear explosives. To reflect this expanded mission, the Committee recommends changing the name of this program to the Non-Nuclear Materials Demilitarization program.

#### DEMONSTRATION AND VALIDATION PHYSICAL SECURITY EQUIPMENT

The Committee recommendation for this program is explained in RDT&E, Army.

#### NATO R&D

The Department requested \$60,240,000 for NATO R&D. The Committee recommends \$20,240,000, a reduction of \$40,000,000 due to poor budget execution of the fiscal year 1994 program.

#### ENGINEERING AND MANUFACTURING DEVELOPMENT JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)

The Defense Department requested \$84,409,000 for the Joint Tactical Information Distribution System. Included in this amount is \$73,309,000 for the Multifunctional Information Distribution System (MIDS). The MIDS program is a multinational cooperative development effort to design, develop, and procure lightweight tactical information system terminals for U.S. fighter aircraft, as well as foreign fighter aircraft, helicopters, ships, and ground sites. The total program cost will exceed \$1 billion, half of which will be paid by the U.S.

According to a DOD audit published last year, in the past three years no Defense Acquisition Board review was held, no acquisition program baseline was approved, and no exit criteria were established as prerequisites for entry into Engineering and Manufacturing Development (EMD). The Audit also notes that the Air Force withdrew from the program and that the only U.S. platform that will use MIDS will be the Navy's F-18.

Based upon the above major program deficiencies, the Committee is deleting the entire request of \$73,309,000 for the MIDS program.

#### RDT&E MANAGEMENT SUPPORT TECHNICAL STUDIES, SUPPORT, AND ANALYSIS

The Department requested \$40,501,000 for technical studies, support, and analysis which is a forty-eight percent increase over the 1994 appropriated level. The Committee recommends \$30,501,000, a decrease of \$10,000,000 due to fiscal constraints.

#### DEFENSE SUPPORT ACTIVITIES

The Department requested \$15,234,000, for Defense support activities. The Committee recommends \$17,734,000, an increase of \$2,500,000 only for development of the Expert System for Armed Services Logistics Information.

#### OPERATIONAL SYSTEMS DEVELOPMENT DEFENSE AIRBORNE RECONNAISSANCE PROGRAM

The Department of Defense requested \$528,290,000 for the Defense Airborne Reconnaissance Program. The Committee believes these are high priority programs and recommends \$609,290,000, an increase of \$81,000,000. Further details are provided in the C3I section of this report.

#### SPECIAL OPERATIONS COMMAND SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT

The Special Operations Command (SOCOM) requested \$7,560,000 for Special Operations Technology Base Development. The Committee recommends \$5,560,000, a reduction of \$2,000,000. The Committee advises SOCOM to focus more on exploitation of existing technology.

## SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT

The Special Operations Command (SOCOM) requested \$15,549,000 for Special Operations Advanced Technology Development. The Committee recommends \$13,549,000, a net reduction of \$2,000,000.

The Committee advises SOCOM to look into ongoing Services' efforts in this area and also emphasizes adaptation of existing technology therefore recommends reducing the budget request by \$3,000,000.

An additional \$1,000,000 is recommended for designing and developing prototype systems to enhance Special Operations counterproliferation efforts directed against weapons of mass destruction.

## SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT

The Special Operations Command (SOCOM) requested \$167,356,000 for Special Operations Tactical Systems Development. The Committee recommends \$164,766,000, a net reduction of \$2,590,000. The adjustments are explained below:

-ACTD test for the Quiet Knight Program: +\$7,000,000.

-JASORS Advanced Radio System: -\$5,790,000.

-Special Warfare Combination Craft: -\$3,800,000.

It has been determined that \$2,800,000 of FY 1994 funds and \$1,000,000 of the budget request are excess. SOCOM is contemplating using these funds to investigate other missile candidates for Phase II SWPS. Funding can be deferred until fiscal year 1996. The Committee directs SOCOM to continue the SWPS program for the Patrol Craft and any attempt to change this program requires prior approval by the Committees on Appropriations and Armed Services of the House and Senate.

SOCOM is directed to apply the Quiet Knight program to fixed and rotary wing aircraft.

## CALS SHARED RESOURCE CENTERS

The Committee notes that the execution plan underlying the fiscal year 1995 budget for the Computer Aided Logistics System (CALS) Shared Resource Centers program provides that the Johnstown, Pennsylvania Technology Center will act as the integrator for five regional sites and the Cleveland Advanced Manufacturing Program will serve as the integrator for six sites. This approach complies with prior Congressional direction and is endorsed by the Committee.

## CASTING EMISSION REDUCTION

The Committee endorses the casting emission reduction and low level emissions measurement project in conjunction with McClellan AFB. The project was initiated by Congress in fiscal year 1994, and the Committee strongly urges that it be continued from within available funds in fiscal year 1995.

## OPTICS RESEARCH

The Committee recognizes that optics is a rapidly growing, highly diversified field in which the United States has made significant advances and remains in the forefront of research, development, and manufacturing. The Committee also recognizes that competition from abroad is increasing dramatically and that more attention and financial resources need to be devoted to optics if the United States is to remain an international leader in the field. The Committee, therefore, encourages the Department to take an active role in optics research, development, education, and training. The Department is further encouraged to develop and fund consortia with the appropriate research institutions to coordinate these activities.

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## PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1995:

Offset folios 00204 to 00205 Insert here\*\*\*TABLE GOES HERE\*\*\*

#### DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

Appropriations, 1994	\$232,457,000
New obligational authority, 1995:	
Estimate	\$251,495,000
Recommended	251,495,000
Increase	.....

This appropriation funds Developmental Test and Evaluation, Defense activities, for direction and supervision of test and evaluation, joint testing, improvement of the effectiveness and efficiency of the DOD major ranges and test facilities, and technical and/or operational evaluation of foreign nations' weapon systems, equipment, and technologies.

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#### COMMITTEE RECOMMENDATIONS PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1995:

Offset folios 00208 Insert here\*\*\*TABLE GOES HERE\*\*\*

#### OPERATIONAL TEST AND EVALUATION, DEFENSE

Appropriations, 1994	\$12,650,000
New obligational authority, 1995:	
Estimate	12,501,000
Recommended	12,501,000
Decrease	0

This appropriation funds the activities of the Office of the Director, Operational Test and Evaluation.



TITLE V  
REVOLVING AND MANAGEMENT FUNDS  
DEFENSE BUSINESS OPERATIONS FUND

Fiscal year 1994 appropriation	\$1,102,295,000
Fiscal year 1995 budget request	1,169,038,000
Committee recommendation	1,090,438,000
Change	-78,600,000

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CIVILIAN PERSONNEL

Civilian Personnel Understrength.-The Committee recommends a reduction of \$140,000,000 from the budget request because the Defense Business Operations Fund will employ fewer civilian personnel during fiscal year 1995.

Civilian Personnel Pay Raise and Locality Pay.-The Committee recommends \$61,400,000 for the pay raise and locality pay.

DBOF PRIOR YEAR LOSSES AND RATE ADJUSTMENTS

The Defense Business Operations Fund has incurred operating losses, particularly in its depot and supply maintenance functions, in each of the past three fiscal years. The DoD proposes to recover these losses through reprogramming actions (for the Navy) and levying a surcharge, or rate increase, on the fiscal year 1995 rates charged DBOF customers (for all the services plus DLA). The DoD is proposing additional surcharges to cover unbudgeted FY 1994 costs of civilian locality pay and wage grade increases, unbudgeted FY 1995 civilian separation costs, and for modernization of ADP systems. The Committee is deeply concerned about DoD's current policies from several perspectives.

Increasing Costs Without Increasing Readiness.-The imposition of surcharges increases depot and supply costs to the customer-the forces in the field-consuming much of the proposed increases in maintenance funding contained in the budget with no improvements in readiness. For example, as a result of just the surcharge to recover prior year losses, the rates charged at Naval aviation depots will increase by over 10 percent from fiscal year 1994 to 1995, increasing customer costs by nearly \$200 million.

Surcharge Use Is Questionable.-As noted by the House Armed Services Committee and the GAO, using price increases to recover prior year losses is inconsistent with the philosophy that DBOF pricing should reflect the actual costs incurred in a given timeframe for goods and services. While DoD counters that price increases are justified to "penalize" poor financial performance, much as in the businessplace, the Committee believes the size and types of proposed rate increases go far beyond that justified by the actual business activities at depots and supply centers. Recent DBOF losses are largely due to the rapid downsizing of the force and resulting increases in overhead costs, which are unavoidable because of the inability to more rapidly shed infrastructure under current statute and the DoD's efforts to reasonably manage personnel reductions.

Implementation Is Neither Consistent Nor Discriminating.-As noted above, for fiscal year 1995 the Navy is using reprogramming and surcharges to pay for prior year losses and other bills while the other services and DLA are using only surcharges. While recognizing the size of the Navy's losses makes it difficult to use surcharges alone to recover these costs, this highlights the degree to which an uneven application of DBOF pricing policy can distort the alleged cost of business borne by DoD activities. Since the Navy is reprogramming approximately \$500 million to recover losses, its DBOF rates do not reflect its costs in the same fashion as do the other services.

The Committee also is concerned that surcharges are generally being applied across the board at the "business area" level, a relatively high level of aggregation (for example, "Depot Maintenance-Air Force") especially for the Army and Air Force. As a result, all DBOF facilities and customers within that business area are being forced to pay for what may be losses incurred at one or a few installations. For example, a service may have suffered losses in only one commodity area, such as missile maintenance. But since missile maintenance is defined as only part of a business area, facilities servicing other commodities such as aircraft, ground vehicles, etc., in that business area will be forced

to charge higher costs even if they had nothing to do with the incurred losses. This is entirely inconsistent with the individual profit center concept central to DBOF. It penalizes "good performers" and rewards the "bad," again not consistent with sound business practices.

**Surcharges Distort Individual Facility Costs.**—Since these surcharges are being applied across the board and not on a facility-specific basis, it clearly provides misleading data regarding the true cost of doing business at a given facility. In so doing it unfairly treats depots and customers which had nothing to do with the losses incurred. For example, the Committee is aware of depots which had been planning to decrease their customer rates from fiscal year 1994 to 1995. However, following the various surcharges described earlier, it now appears as if their rates have increased by up to 20 percent. Application of across-the-board surcharges have obscured their success in economizing and penalizes their customer base.

This also has serious implications regarding base closure and realignment decisions and efforts to increase the interservicing of depot maintenance. As the published customer rates for an individual facility include surcharges, they do not accurately reflect that facility's actual costs. And since surcharges differ by service, and by business area, their imposition is not felt equally by all facilities or between the services. As a result, unless the effects of across-the-board surcharges are discounted in the BRAC and interservicing decision processes, or are recalculated on a facility-specific basis, assessments of facility cost-effectiveness and relative military value are in danger of being seriously skewed. It is not clear whether the Department has recognized this distinction and issued appropriate guidance regarding the data to be used in reaching BRAC and interservicing decisions. The Committee directs the Comptroller of the Department to issue such guidance and to report back to the Committee by November 1, 1994 on the steps he has taken to remedy this problem.

The House Armed Services Committee recommends DoD seek a direct appropriation to fund all prior year losses beginning in fiscal year 1996. The Committee does not completely support this position as it views rate increases as a useful tool to impose cost discipline on those activities which have not performed well. However, the Committee believes the current use of surcharges is excessive in light of unavoidable losses due to the military drawdown and fails to adequately discriminate among DBOF activities. Accordingly, the Committee directs the Comptroller to review existing DBOF pricing policies and to promulgate new guidance addressing the concerns raised by the Committee in time to be included in the fiscal year 1996 budget submission. The Comptroller is directed to report to the Committee on his recommended changes by March 15, 1995.

#### COMMISSARY DEMONSTRATION PROJECT

The Committee is encouraged by the existing automatic checkout machine technologies which could reduce appropriated funds for commissaries. Accordingly, the Committee recommends \$3,000,000 of existing DBOF cash balances for a demonstration of existing technology in military commissaries as defined in the fiscal year 1995 National Defense Authorization Bill. Upon completion of this demonstration, Defense Commissary Agency shall provide a report to the Committees on Appropriations of the House and Senate with recommendations on further use of these technologies.

#### NATIONAL DEFENSE SEALIFT FUND

Appropriation, 1994	\$1,540,800,000
New obligational authority:	
Estimate	608,600,000
Recommended	858,600,000
Increase	250,000,000

The Committee recommends \$858,600,000 for the National Defense Sealift Fund in fiscal year 1995. The Committee recommendation reflects an increase of \$250,000,000 to the budget request.

The increase includes \$25,000,000 which is available for transfer to the Secretary of Transportation for Title XI shipbuilding and facilities loan guarantees. Also included is \$25,000,000 for purchase of ships for the Ready Reserve Force component of the National Defense Reserve Fleet.

The remaining \$200,000,000 when combined with the budget request, is to continue the ongoing acquisition of new construction ships to satisfy the terms of the Mobility Requirements Study.

TITLE VI  
OTHER DEPARTMENT OF DEFENSE PROGRAMS  
DEFENSE HEALTH PROGRAM

Appropriation, 1994	\$9,626,072,000
New Obligational Authority, 1995:	
Estimate	9,922,059,000
Recommended	9,895,159,000
Decrease	26,900,000

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program for fiscal year 1995:

Defense Health Program	Budget request	Committee recommended	Change from request
Operation and Maintenance	\$9,613,170	\$9,577,770	-\$35,400
All Other Programs	9,607,170	9,607,000	0
Neck and Head Injury	6,000	7,000	+1,000
Gulf War Syndrome	0	2,200	+2,200
Civilian Pay Raise Increase	0	700	+700
Civilian Understrength	0	-48,300	-48,300
CAMIS	0	6,000	+6,000
Uncompensated Care	0	2,000	+2,000
Zinc Cadmium Sulfide	0	1,000	+1,000
Procurement	308,889	317,389	+8,500
All Other Programs	308,889	308,889	0
CAMIS	0	4,000	+4,000
CHCS expansion	0	1,000	+1,000
William Beaumont ADP	0	3,500	+3,500
 Total, Defense Health Program	 9,922,059	 9,895,159	 -26,900

MEDICAL RESEARCH

The Committee recommends a number of adjustments to medical research and development. The table below highlights only those medical program elements to which there has been an adjustment.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

P.E., Title, and Program	[In thousands of dollars]	Recommended
Army:		
0601102A-Def. Res. Sciences: Trauma Care		150
Nutrition		500
0602787A-Medical Technology: Nutrition		500

Tissue Rep.	1,000
0603002A-Medical Adv. Tech.: Breast Cancer	150,000
Prostate Cancer	10,000
Women's Health	40,000
Ovarian Cancer	7,500
Cell Regulation	2,000
Mammography	2,000
Spinal/Brain Res.	5,000
Lyme Disease	500
0603105A-AIDS: AIDS Research	20,000
Navy:	
0603216N-Aviation Surv: Naval Biodynamics Lab.	700
0603706N-Medical Dev: Naval Biodynamics Lab.	700
Bone Marrow	34,000
Mammography Dev.	2,000
Breast Cancer Center	5,000
Defense-wide:	
0603738D-Cooperative DOD/VA Cooperative Research	30,000
Total	310,850

#### COMMITTEE RECOMMENDATIONS CIVILIAN PERSONNEL

The Committee recommendation includes an increase of \$700,000 for the incremental portion of the civilian personnel pay raise for fiscal year 1995 above the budget request level of 1.6%. In addition, the Committee recommends a reduction of \$48,300,000 from the budget request because of civilian personnel understrength being projected for fiscal year 1995.

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#### ZINC CADMIUM SULFIDE

The Committee is concerned by reports, recently confirmed, that the U.S. Army conducted experimental sprayings of zinc cadmium sulfide over Minneapolis, Minnesota and other U.S. cities in the early 1950s. Current data indicate zinc cadmium sulfide may cause some types of cancer. The Committee strongly condemns any such experiments, and believes this problem requires a prompt, independent assessment. The Committee therefore directs the Secretary of Defense to request the National Academy of Sciences to conduct a study of the potential adverse health effects of spraying of zinc cadmium sulfide on civilian populations. The study should address potential birth defects that might have resulted from the spraying. The Committee has added \$1,000,000 for this purpose.

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#### LOUISIANA MEDICAL FOUNDATION/DESERT STORM SYNDROME

The Committee recommends an additional \$2,200,000 and directs that this funding be used for a clinical evaluation, treatment and improvement of the protocol by the Louisiana Medical Foundation in New Orleans only for the anti-bacterial treatment method of the Desert Storm syndrome already begun and found to be successful for some veterans using established methods for treating disease associated with bacteriuria.

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#### CHAMPUS REFORM INITIATIVE, NEW ORLEANS AREA

The Committee understands that the Assistant Secretary for Health Affairs has recently rescinded previous plans to implement TRICARE benefit and beneficiary payment changes for CHAMPUS eligible beneficiaries in the New Orleans area. The Committee firmly supports this action and expects the Department not to consider or make any New Orleans area CHAMPUS beneficiary changes until the current area CHAMPUS demonstration project is completed and a new competitive contract for the region is solicited.

## UNCOMPENSATED HEALTH CARE

The Committee recommends an increase of \$2,000,000 to be used to compensate military treatment facilities for care provided to indigent civilians. In fiscal year 1993 the amount of billings uncollected for indigent care was \$9,365,208, according to the Report of Non-Compensated Care for Indigent Civilians provided to the Committee by the Department of Defense. The funds provided will cover approximately 25 percent of the expense associated with indigent care and coupled with other efforts under consideration by the Department will ensure that funding for military and beneficiaries is not adversely effected by these unforeseen expenses.

## NATIONAL HEAD INJURY FOUNDATION

The Committee recommends an increase of \$1,000,000 to the budget request of \$6,000,000 for the Violence and the Brain project begun by this Committee last year. The Department of Defense is directed to fund the third year of this program in the fiscal year 1996 budget request.

## FORT BRAGG MENTAL HEALTH DEMONSTRATION

The Committee is pleased with the delivery of mental health services at the Fort Bragg, North Carolina site and the CPA project in Tidewater. It is important that the lessons of both these projects be evaluated in a meaningful way and that the successful features of both be incorporated into the Department's plans for its delivery of mental health services to CHAMPUS beneficiaries throughout the nation.

The Committee understands that the proposed RFP for continued services at Fort Bragg will include all the intermediate services that have been provided under the demonstration for the past four years. The Committee endorses this approach and looks forward to the analysis of that demonstration which is expected to be available on October 1, 1994. The Committee feels very strongly that those services should be continued unless the required analysis indicates they should no longer be provided.

## CAMIS SYSTEM

The Committee recommends \$10,000,000 for clinical field trials of the CAMIS system, a visualization system and software which generates 3-D imaging during surgery to help surgeons operate quicker and with greater precision than previously possible. The recommended increase includes \$6,000,000 for operations expenses and \$4,000,000 for procurement of equipment.

## DEWITT ARMY COMMUNITY HOSPITAL

The Committee recommends an additional \$1,000,000 for a primary care/managed care automation project to provide connectivity between Walter Reed Army Medical Center and Dewitt Army Community Hospital. This enhanced automation capability will allow beneficiaries at outlying medical clinics to receive care at that clinic rather than requiring travel to Walter Reed Army Medical Center. It is expected that this capability will provide more quality patient care for the entire National Capitol Area, at a reduced overall cost, and ensure that limited resources are used as efficiently as possible at all available facilities.

## WILLIAM BEAUMONT ARMY MEDICAL CENTER AUTOMATION

The Committee recommendation includes an increase of \$3,500,000 for upgrade of the computer system at the William Beaumont Army Medical Center. The funding provided will complete the computer upgrade which began in

fiscal year 1994 and facilitate regional automation consistent with the medical center's role as a regional health command center.

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#### COMPOSITE HEALTH CARE SYSTEM

The Committee remains committed to completion of the planned deployment and operation of the Department's Composite Health Care System. As the system becomes available at all military medical facilities, the Committee believes the Department should begin regional networking of facilities. Such capabilities not only would be useful for peacetime operations, but also useful for crises or wartime operations as forces are deployed. In addition, the Committee agrees with the Department's report that value could be derived from the use of a computer-based patient records capability within the Composite Health Care System.

Accordingly, the Committee directs the Department to undertake a demonstration project to test the value of these two expansions to the CHCS program and that not less than \$187,129,000 shall be available for the Composite Health Care System and the demonstration project.

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#### UNIFORMED SERVICES TREATMENT FACILITIES

The Committee has increased the allocation of health care funds for Uniformed Services Treatment Facilities by \$30,000,000 and has included a general provision directing the level of funding to be dedicated to this portion of health care.

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#### FORT BLISS MEDICAL COMPANY

The Committee has previously expressed its concern that the lack of a permanently stationed medical company at Fort Bliss, Texas could negatively impact emergency medical evacuation services at Fort Bliss and military assistance and safety to traffic (MAST) to the civilian population within 100 nautical miles for the post in west Texas and southern New Mexico. The Committee understands that the 571st Medical Company, stationed at Fort Carson, Colorado, currently is assigned temporary duty at Fort Bliss on a rotating basis. The Committee reaffirms its support for a medical company presence at Fort Bliss and MAST service to the area, and urges the Department of Defense to review the current mission at Fort Bliss to determine whether a permanent medical company is required.

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#### MEDICAL EDUCATION AT WILLIAM BEAUMONT ARMY MEDICAL CENTER

The Committee recognizes William Beaumont Army Medical Center, located in El Paso, Texas, for its importance in meeting the needs of federal health care delivery in the unique international border region of west Texas and southern New Mexico. In addition to its primary role in support of personnel at Fort Bliss, the medical center anchors the academic and tertiary health care infrastructure for federal, state, and civilian patients throughout the region. The Committee further recognizes the medical center as one of the largest medical education facilities in this medically underserved area and notes its lead role in the Southwest Federal Healthcare Consortium, an innovative voluntary association of federal health care facilities throughout the region. The Committee urges the Department of Defense to maintain the medical center's role as a leader in the area's graduate medical education initiatives as well as support its partnerships with other health care providers in the region.

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#### CHILDREN'S HOSPITALS AND RELATED INSTITUTIONS

The Committee believes that the Department of Defense, through implementation of its TRICARE managed care program, should recognize that military treatment facilities must work cooperatively with pediatric providers, especially children's hospitals, in order to provide the specialized treatment and care that is clinically appropriate.

Therefore, the Committee directs the Secretary of Defense to ensure that all managed care systems include a sufficient number and distribution of participating providers, including primary and specialty pediatric providers.

Second, the Department of Defense is directed to conduct a study on the need to provide services to children with special needs in a managed care environment. The study should review all diseases that are childhood specific and chronic in nature to determine how these children can continue to receive the care they need in a managed care system.

Finally, the Department of Defense is directed to conduct a feasibility study of capitating a complete pediatric network that fully manages the care of all eligible children both within and outside the existing direct care system. After the baseline data is collected, the Department shall perform a demonstration project in one of the twelve regions upon certification that there would be adequate access and quality at a reasonable price to the government.

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#### GEORGE AFB CATCHMENT ZONE

The Department of Defense has instituted special eligibility rules to Medicare-eligible beneficiaries to replace pharmacy services lost through the closure of military medical facilities. However, in localities where the 40-mile catchment areas of closed installations overlap with those of active installations, no special eligibility is granted to beneficiaries residing in the overlap zone. This is the case in California where the 40-mile catchment zone of Edwards AFB encompasses many beneficiaries once served by the now-closed George AFB.

It is the Committee's view that the expansive property of Edwards AFB imposes a severe geographic barrier to beneficiaries in this region, in effect placing these individuals far more than 40 miles from the medical facility at Edwards. Therefore, the Committee directs the Department to end its policy of considering the catchment zone of Edwards AFB to encompass any of the beneficiaries once served by George. The Committee further directs the Department to grant the special eligibility rule to all beneficiaries residing in the 40-mile catchment zone once serviced by George AFB.

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#### UNIFORMED SERVICE UNIVERSITY OF THE HEALTH SCIENCES

The Committee notes that the Department of Defense budget request complies with the Vice President's Report on the National Performance Review recommendation to close the Uniformed Services University of the Health Sciences. The House approved similar recommendations in the fiscal year 1991 and fiscal year 1992 Defense Appropriations Acts, and applauds the decision to close the school. Every study conducted on the University and the alternative Health Professionals Scholarship Program indicates that the scholarship program is a much more economical way to access military physicians. Therefore, the Committee recommendation supports the budget request to close the University and the Committee has included a general provision prohibiting the use of funds for recruitment or enrollment of new students.

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#### ARMY MEDICAL RESEARCH TRAUMA SURGERY TRAINING

The Committee has included \$150,000 (P.E. 0601102A) and directs the Department of Defense to commission a study to evaluate the training needs of active duty and reserve military general surgeons. The study objectives are to determine what deficiencies may exist in the trauma care skill levels of military physicians and identify and develop the curriculum necessary to improve whatever knowledge or skill deficiencies are identified. Finally, the study should develop a prototype program, involving a small group of clinicians, to evaluate the usefulness of the curriculum.

#### NUTRITION RESEARCH

The Committee recommends \$1,000,000 only for nutrition research projects. Of this amount, \$500,000 is provided in Defense Research Science (P.E. 0601102A) and \$500,000 is provided in Medical Technology (P.E. 0602787A).

This funding is available to continue ongoing military nutrition research projects on stable isotope energy assessment, nutritional neuroscience research, and nutrition and military performance clinical laboratory research. The Committee also directs that this funding be used for new military nutrition research projects of importance to the Army, including menu modification and clinical nutritional neuroscience research, utilizing existing cooperative agreements between the Army and unique clinical research and staple isotope laboratories.

#### DEFENSE WOMEN'S HEALTH PROGRAM

The Committee has included \$40,000,000 for the Defense Women's Health Program. The Committee notes that Magee-Women's Hospital in Pittsburgh is a national leader in addressing women's health problems and encourages the Department of the Army to work with the hospital as it develops and implements this program.

#### BREAST CANCER RESEARCH

The Committee has included an increase of \$150,000,000 for breast cancer research within the Army Medical Advanced Technology program (P.E. 0603002A). In general, the Committee intends that these funds be used to continue research that is currently ongoing and to conduct research into new technologies for detection and treatment of breast cancer.

Specifically, the Committee directs the Department of the Army to use \$20,000,000 of the funds provided to develop digital mammography technology and technologies for reading mammograms. The Committee further directs the Department of the Army to provide a report no later than May 31, 1995 on its plan for research in the area of digital mammography and those technologies which the Department believes to be of most value.

#### BREAST CANCER DETECTION TECHNOLOGY

The Committee recommends an increase of \$2,000,000 to the request for Army Medical Advanced Technology (P.E. 0603002A) for mammography research. The Committee designates \$517,000 for research on anatomical differences in molecular genetics of breast cancers in minority populations, \$567,000 for screening and early detection in minority and socio/economically disadvantaged populations, \$180,000 for research into pain control for cancer patients, \$356,500 for development of an experimental model for gene therapy using isolated human hematopoietic stem cells, and \$379,500 for screening and clinical participation for rural communities.

#### BENIGN PROSTATIC HYPERPLASIA

The Committee has included \$10,000,000 within the funding increase for the Army Medical Advanced Technology program (P.E. 0603002A) for general prostate cancer research. The Committee is aware of the promising preliminary results of work being done to develop prostate treatments which do not require surgery. However, it is necessary to conduct randomized trials to more clearly understand the benefits of non-surgical procedures such as transurethral hyperthermia. Therefore, the Committee directs the Department of the Army to use a portion of this funding to finance a well defined scientific study comparing surgical treatment for benign prostatic hyperplasia with hyperthermia.

#### LYME DISEASE

The Committee recommendation includes an increase of \$500,000 within the Army Medical Advanced Technology program (P.E. 0603002A) to be used only for a Lyme Disease prevention program to be administered by the Army Hygiene Agency.

#### CELL REGULATION RESEARCH

The Committee recommends an increase of \$2,000,000 within the Army Medical Advanced Technology program (P.E. 0603002A) only for non-university related cell regulation/tumor necrosis factor research. Specifically, the goal of this research is for the Department of the Army to work with a non-profit foundation in the northeast to understand the molecular mechanism by which tumor necrosis factor (TNF) regulates a variety of physiological responses, including blood clotting, angiogenesis, inflammation, and mitogenesis. The overall hypothesis is that TNF induces



different physiological responses in cells through distinct TNF receptors which activate different signal transduction pathways. The research is to be performed by an integrated team of scientists with extensive experience in the molecular analysis of signal transduction pathways. In particular, the scientific team must have extensive experience in the identification and analysis of (1) TNF production, (2) signal transduction pathways, (3) gene regulation, and (4) cell cycle-regulatory proteins.

#### BRAIN AND SPINAL INJURY RESEARCH

The Committee recommends an increase of \$5,000,000 within the Army Medical Advanced Technology program (P.E. 0603002A) only for spinal cord injury and regenerative medical research.

#### OVARIAN CANCER RESEARCH

The Committee recommends an increase of \$7,500,000 within the Army Medical Advance Technology program (P.E. 0603002A) only for a comprehensive preventive program in ovarian cancer that expands into endometrial, cervical and other cancer research and that would include prevention planning, implementation and development planning. Institutions eligible for this funding shall be limited to those which are designated as a comprehensive cancer center by the National Cancer Institute of the National Institutes of Health.

#### ACQUIRED IMMUNE DEFICIENCY SYNDROME

The Committee recommends an increase of \$20,000,000 to the budget request for Acquired Immune Deficiency Syndrome research (P.E. 0603105A). The increase is provided for general research of vaccines and treatment therapies.

The Committee is aware of research in the field of irradiation of cells and in particular the development of a unique bioreactor that utilizes ultraviolet light in the prevention and treatment of AIDS. The Committee directs the Department of the Army to explore the feasibility of funding additional research in the area of cell irradiation and to provide the Committee with a report on its recommendations.

#### BATTLEFIELD SURGICAL TISSUE REPLACEMENT

The Committee recommends an increase of \$1,000,000 to the Army Medical Technology program (P.E. 0602787A) to be used to conduct research into tissue substitutes and novel repair methods for material joining, as has been demonstrated by low-powered diode lasers to fuse prostheses in place.

#### NAVY MEDICAL RESEARCH PROGRAMS NATIONAL MARROW DONOR PROGRAM

The Committee has provided an increase of \$34,000,000 to Navy Medical Development (P.E. 0603706N) only for bone marrow research, donor recruitment, and tissue typing. The Committee is aware of the continuing outstanding success of the National Marrow Donor Program (NMDP), a life saving program which now includes 1,300,000 potential volunteer donors.

The Committee has added \$34,000,00 to the C. W. Bill Young Marrow Donor Recruitment and Research Program, a special interest program within the Navy Medical Research and Development account, to continue national donor recruitment programs, expand formal international agreements with foreign donor registries, provide contingency support for narrow and platelet donation in the event of a national or international emergency, and advance research that will continue to improve the tissue typing procedures for matching patients and donors. Of this amount, \$12,400,000 is to be made available to the Navy Medical Research and Development Command's C. W. Bill Young Marrow Donor Recruitment and Research Program for continuing its Department-wide donor recruitment effort and to maintain its research program for the development of state-of-the-art DNA tissue typing technology. Provisions of the Small Business Innovation and Research Act of 1982 shall not apply to this program.

The Navy has provided invaluable leadership in the development and operation of the NMDP. The Navy's C. W. Bill Young Marrow Donor Recruitment and Research Program has recruited 50,000 service members and their

dependents to join the registry and has provided marrow for more than 100 transplants. The Navy Medical Research Institute laboratory has fully implemented HLA typing by direct analysis of genetic material from donor's blood cells. The Navy also has assisted civilian clinical and research laboratories supporting the NMDP to transform DNA based typing from the research lab to full clinical utilization. Navy automation technology will continue to improve both cost effectiveness and capacity for this DNA technology for both the Navy and civilian laboratories.

The remaining \$21,600,000 will be provided by the C. W. Bill Young Marrow Donor Recruitment and Research Program to the NMDP, through its continued grant from the Navy Medical Research Development Command, for donor recruitment and education activities.

The Committee believes that donor recruitment is a high priority in all sectors with continued emphasis upon minority groups. The Committee is encourage by the targeted minority recruitment program initiated by the NMDP in major cities throughout the nation. Furthermore, the Committee continues to encourage donor recruitment groups interested in working to increase minority donor participation to subcontract through the NMDP for minority education, donor recruitment, and tissue typing funds provided by the Committee.

#### BREAST CANCER SCREENING

The Committee recommends an increase of \$2,000,000 to the request for Navy Medical Development (P. E. 0603706N) for breast cancer screening using digital mammography and computer diagnosis. These funds are provided to explore the development of computer assisted diagnostic software and remote diagnosis methods. The specific research method identified by the Committee would provide mammograms that are operator and x-ray sensor independent to minimize the variation in image interpretation at different reading sites using the latest advances in adaptive nonlinear filtering, wavelet methods for image enhancement and neural networks for efficient detection and automatic analysis of full mammograms.

#### CENTER OF EXCELLENCE IN BREAST CANCER

The Committee recommendation includes an increase of \$5,000,000 for Navy Medical Development (P. E. 0603706N) only for the Center of Excellence in Breast Cancer at the National Naval Medical Center. A primary role of this Center is to train medical personnel in specialized methods of early detection and treatment, focusing on the young population for which routine mammographic screening is inappropriate.

#### NAVAL BIODYNAMICS LABORATORY

The Committee recommendation includes an increase of \$700,000 for Navy Medical Development (P. E. 0603706N) only for the Naval Biodynamics Laboratory (NBDL) and related collaborative research between NBDL, the Advanced Marine Technology Center, and regional technology centers. Additional information on this program is included in the Research, Development, Test and Evaluation, Navy section of the report.

#### FREEZE-DRIED RED BLOOD CELL RESEARCH

The Committee continues to support the Navy's decision to place a high priority on improving red blood cell storage. The Committee recommendation includes an increases of \$2,500,000 within the Advanced Technology Transition program of the Navy research and development appropriation, to be made available only for research of freeze-drying of blood.

#### DEFENSE MEDICAL RESEARCH COOPERATIVE DOD/VA MEDICAL RESEARCH

The Committee recommends a \$30,000,000 increase to the budget request for Cooperative DoD/VA medical research (P. E. 0603738D) as authorized.

The Committee is aware of research into Artificial Neural Networks (ANN) which are capable of recognizing complex patterns in data and information. The Committee believes such networks are excellent tools for clinical decision making in prostate cancer, testicular cancer, cardiovascular problems and other medical situations. For

example, when an ANN trained to diagnose prostate cancer was applied to over 200 cases, the biopsy prediction accuracy was 87 percent, or 2.5 times better than clinical judgement. While the results of this research are encouraging, expansion of the research to include a more diverse population base and perfect the ANN's ability to determine optimal treatment.

Therefore, the Committee directs that \$6,000,000 of the funds provided for DoD/VA cooperative medical research be made available only for continued research in the application of the ANN to the diagnosis and prognosis of prostate cancer. These funds shall be administered by the Washington, D.C. Veterans Administration Hospital.

#### BIOMEDICAL ENGINEERING TECHNOLOGY INITIATIVE

Last year the Committee provided \$4,000,000 (P. E. 0603002D) to be used only for the development of a plan to systematically identify and apply defense-related technologies that can contribute to improvements in health care delivery and reductions in health care costs. The Committee directs that this initiative be managed by Sandia National laboratories and that all previously appropriated funds be released or obligated by the Department immediately.

#### CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

Appropriations, 1994	\$389,947,000
New obligational authority, 1995:	
Estimate	575,349,000
Recommended	562,949,000
Decrease	12,400,000

#### PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program for fiscal year 1995:

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#### COMMITTEE RECOMMENDATIONS OPERATION AND MAINTENANCE

The Department budgeted \$355,584,000 for operation and maintenance. The Committee recommends \$345,784,000, a net reduction of \$9,800,000. The net reduction consists of the following increases and decreases:

Alternative Technologies Report.-The Committee recommends an increase of \$9,500,000 for three programs recommended by the Alternative Technologies Report of the National Research Council and included in House authorization legislation. The three programs are as follows:

Public outreach	\$2,000,000
Risk assessment	3,000,000
Surveillance	4,500,000

Facility Delays.-The Committee recommends a reduction of \$2,000,000 for the Anniston facility based on the expectation that contract award will slip by about four months from the time assumed in deriving the operation and maintenance budget estimate for this facility (August, 1994). In addition, the Committee recommends a reduction of \$10,000,000 for the Tooele facility based on the expectation of a delay in completion of the systemization of that facility. These delays might occur because of permitting problems, delays in implementing JACADS "lessons learned", delays caused by implementation of the Alternative Technologies Report recommendations, or other reasons.

JACADS.-The Committee recommends a reduction of \$7,300,000 for the Johnston Atoll Chemical Agent Destruction System (JACADS). The recommended funding level will be the same as fiscal year 1994, the first year of full-scale facility operations.

## PROCUREMENT

The Department budgeted \$208,465,000 for procurement. The Committee recommends \$196,465,000, a net reduction of \$12,000,000. The net reduction consists of the following increases and decreases:

**Carbon Filters.**-The Alternative Technologies study by the National Research Council found that the addition of activated carbon filter beds to treat exhaust gases from baseline incinerators would add further protection against agent and trace organic emissions. The cost of such filters was not included in the budget. The Committee recommends an increase of \$63,200,000 for this purpose, as follows:

Equipment modification design	\$9,200,000
Tooele facility	18,200,000
Anniston facility	15,000,000
Umatilla facility	20,800,000

**Deferral of Equipment Procurement.**-The Committee recommends a reduction of \$75,200,000 budgeted for procurement of equipment for chemical weapon destruction facilities at Pine Bluff (\$50,500,000) and Pueblo (\$24,700,000). The recommendation is based on the expectation that these facilities will experience the same delays that have occurred at other locations. These delays occur because of permitting problems, community opposition and litigation, uncertainty about facility design and technology, and other reasons. In addition, design changes will continue to be made for all facilities as further experience is gained at Johnston Island and Tooele.

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The Department budgeted \$11,300,000 for research, development, test and evaluation. The Committee recommends \$20,700,000, an increase of \$9,400,000. The increase will fund the Army's recommended programs directed at two low-temperature and pressure neutralization-based alternatives to the baseline technologies: stand-alone neutralization and neutralization followed by biodegradation. This program is targeted at developing a replacement technology as the primary means of agent destruction for potential application to bulk-only sites. This program is being started with \$15,800,000 in fiscal year 1994 funding for alternative technologies research; the total program cost is estimated to be \$232,000,000.

## DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

Appropriations, 1994	\$868,200,000
New obligational authority 1995:	
Estimate	1704,200,000
Recommended	713,053,000
Increase	8,853,000

<sup>1</sup>Excludes \$10,000,000 requested for Military Construction.

## PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1995:

### DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

	Fiscal year 1994	Fiscal year 1995 President budget	HASC	HAC	HAC versus President budget
Military Personnel:					
Army Reserve	4,640	5,850	5,850	5,850	0

Army National Guard	95,670	103,100	103,100	103,100	0
Navy Reserve	2,460	2,716	2,716	2,716	0
Marine Corps Reserve	2,080	2,088	2,088	2,088	0
Air Force	6,600	5,700	5,700	5,700	0
Air Force Reserve	4,500	6,160	6,160	6,160	0
Air National Guard	23,021	25,805	25,805	25,805	0
SOC	720	135	135	135	0
Subtotal, military personnel	139,691	151,554	151,554	151,554	0
Operation and maintenance:					
Army	89,028	88,268	88,268	88,268	0
Navy	73,933	94,174	94,174	94,174	0
Marine Corps	5,210	5,655	5,655	5,655	0
Air Force	85,928	123,607	123,607	123,607	0
Defense agencies	101,500	106,327	106,327	106,327	0
Army Reserve	5,060	4,298	4,298	4,298	0
Navy Reserve	786	1,095	1,095	1,095	0
Marine Corps Reserve	824	1,576	1,576	1,576	0
Air Force Reserve	2,100	1,160	1,160	1,160	0
Army National Guard	33,349	22,273	22,273	22,273	0
Air National Guard	9,961	7,302	7,302	7,302	0
SOC	9,155	10,395	10,395	10,395	0
Optempo	193,700	0	0	0	0
Classified adjustment				(15,493)	(15,493)
Community outreach program				3,000	3,000
Section 1004 contingency support				27,000	27,000
Defense mapping agency				2,000	2,000

CMS				(1,500)	(1,500)
ROTH-R				(5,000)	(5,000)
Air Force tracker aircraft				(2,000)	(2,000)
Criminal justice substance abuse training center				1,000	1,000
Gulf States initiative				3,000	3,000
Multi-jurisdictional task force training program				1,246	1,246
Military drug rehabilitation facility				3,500	3,500
Subtotal, O&M	610,534	466,130	466,130	479,383	13,253
Procurement,					
Procurement, Army	13,988	3,992	3,992	3,992	0
Procurement, Navy	8,480	10,393	10,393	10,393	0
Procurement, MC	2,700	800	800	800	0
Procurement, AF	19,100	60	60	60	0
Procurement, def Ags	17,258	13,932	13,932	13,932	0
National Guard/Reserve	10,647	8,720	8,720	8,720	0
Procurement, SOC	1,376	1,351	1,351	1,351	0
Air Force Reserve	1,500	850	850	850	0
Classified Adjustment				(5,000)	(5,000)
Gulf States Initiative				600	600
Subtotal, procurement	75,049	40,098	40,098	35,698	(4,400)
Research, development, test and evaluation:					
Army	0	0	0	0	0
Navy	461	0	0	0	0
Defense agencies	42,465	44,618	46,418	46,418	0
Classified adjustment				3,000	3,000

Counter-drug R&D				(3,000)	(3,000)
Subtotal, RDT&E	42,926	46,418	46,418	46,418	0
Total, Drug Interdiction	868,200	704,200	704,200	713,053	8,853

#### COMMITTEE RECOMMENDATIONS EXCESSIVE GROWTH REDUCTIONS

The Committee recommends the following program reductions without prejudice due to excessive growth over fiscal year 1994 requested budget levels: Southcom Command Management System (CMS), -\$1,500,000; Relocatable-Over-the-Horizon Radar (ROTH-R), -\$5,000,000; Air Force Tracker Aircraft, -\$2,000,000; Counter-Drug Research and Development, -\$3,000,000.

#### CIVIL AIR PATROL

Funds made available to the Civil Air Patrol (CAP) in the fiscal year 1995 appropriation for Defense Department Drug Interdiction activities may be used for CAP's demand reduction program involving youth programs as well as operational and training drug reconnaissance missions for federal state, and local government agencies; for administrative costs, including the hiring of CAP employees; for travel and per diem expenses of CAP personnel in support of those missions; and for equipment needed for mission support or performance. The Department of the Air Force should waive reimbursement from the federal, state and local government agencies for use of these funds.

#### CRIMINAL JUSTICE/SUBSTANCE ABUSE TRAINING PROGRAM

The Committee recommends \$1,000,000 only for a criminal justice/substance abuse training program which provides basic and advanced training for dislocated defense workers pursuing new non-military careers in the criminal justice and substance abuse counseling areas. The Committee also recommends that the additional funding provided may be used to establish drug rehabilitation programs for the Department of Defense in conjunction with the Surgeon General of the service branches of the Armed Services, and to provide a centralized data base on dual use technologies that can assist state, local and federal law enforcement and drug rehabilitation agencies fight drug related crime and drug abuse.

#### GULF STATES COUNTER-DRUG INITIATIVE

The Committee has provided an additional \$3,600,000 to the budget request for the Gulf States Counterdrug Initiative (GSCI). Of this amount, \$1,300,000 is for the Regional Counterdrug Training Academy (RCTA). Of the remaining funds \$1,700,000 is provided for sustainment and enhancement costs for the C4 network of GSCI, and \$600,000 is provided for National Guard activities related to the GSCI.

The Committee commends the Department and the Coordinator for Drug Enforcement Policy and Support for providing support to the GSCI for the first time in the fiscal year 1995 budget request and for maintaining involvement in this effort. The Committee expects the Department to budget for this program in the future and directs that any additional fiscal year 1995 funding provided for any aspect of the GSCI program not be funded at the expense of the National Guard state plans for drug interdiction activities.

#### MULTI-JURISDICTIONAL TASK FORCE TRAINING

The Committee has provided an additional \$1,246,000 to the fiscal year 1995 budget request of \$1,000,000 for the Multi-jurisdictional Task Force Training Program. These funds shall be made available only to support the wide

application and continuing development of counter-drug training by the Florida National Guard in distance learning modules for public administration and criminal justice professionals. Additional funding provided for this program by the Department in future budget requests shall not come at the expense of the existing state plan of the Florida National Guard.

#### MILITARY DRUG REHABILITATION FACILITIES

The Committee recommends \$3,500,000 for the operation of a military boot camp which concentrates on substance abuse intervention of the youthful drug offender using traditional therapeutic community approaches along with military discipline. The Committee directs the Department to execute this program in accordance with direction contained in the fiscal year 1994 Defense Appropriations Conference report.

#### NATIONAL GUARD PROGRAMS

The Committee urges the Department to ensure that future year budget requests for the drug interdiction state plans of the Idaho and Puerto Rican National Guards are funded at the levels necessary to maintain existing services to their respective local law enforcement agencies.

#### OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1994	\$137,601,000
New obligatory authority 1995:	
Estimate	128,098,000
Recommended	142,098,000
Increase	14,000,000

The Committee recommends an additional \$14,000,000 for the Office of the Inspector General in order to fully fund the fiscal year 1994 increased authorization for personnel.

#### DEFENSE CONVERSION AND REINVESTMENT

Appropriations, 1994	\$967,500,000
New obligatory authority 1995:	
Estimate	1,337,700,000
Recommended	1,401,944,000
Increase	64,244,000

The Committee is strongly supportive of the Defense Conversion, Reinvestment, and Transition Act of 1992. To help accomplish the goals of that legislation the Committee has included at least \$3,489,000,000 in the fiscal year 1995 Defense Appropriations Act as follows:

#### DEFENSE CONVERSION AND REINVESTMENT

[In millions of dollars]

	Fiscal year 1994	Fiscal year 1995 President budget	HASC	HAC	HAC versus President budget
Technology Reinvestment Program (TRP)	575.0	625.0	619.6	625.0	0.0
Other reinvestment programs	0.0	156.6	152.0	212.3	55.7
Personnel and community assistance programs:					



Separation pay and civilian health benefits	140.1	301.7	301.7	301.7	0.0
Transition assistance/relocation assistance	65.8	63.9	72.4	72.4	8.5
National Guard Youth Opportunity Pilot Program	70.0	71.4	71.4	71.4	0.0
Office of economic adjustment	38.8	39.1	64.1	39.1	0.0
Troops to teachers	62.8	65.0	65.0	65.0	0.0
Troops to cops	15.0	15.0	25.0	15.0	0.0
Subtotal, personnel and community assistance	392.5	556.1	599.6	564.6	8.5
Total, defense conversion and reinvestment	967.5	1,337.7	1,371.2	1,401.9	64.2

#### OTHER CONVERSION RELATED PROGRAMS

[In millions of dollars]

	Fiscal year 1994	Fiscal year 1995 President budget	HASC	HAC	HAC versus President budget
Electronics and materials initiatives	259.9	224.8	244.0	241.8	17.0
Manufacturing technology initiatives	338.9	346.1	418.3	411.2	65.1
Computing systems and communication technology	325.9	419.6	394.6	425.6	6.0
Other initiatives:					
SEMATECH	90.0	90.0	90.0	90.0	0.0
Basic research	86.0	87.7	87.7	87.7	0.0
Advanced simulation	59.3	79.3	79.3	79.3	0.0
Subtotal, other initiatives	235.3	257.0	257.0	257.0	0.0
SBIR refocused to dual use	161.0	161.0	161.0	161.0	0.0
Total, Dual Use Program	1,321.0	1,408.5	1,474.9	1,496.6	88.1

Personnel assistance programs:

Separation benefits:					
Temporary early retirement	352.9	391.2	391.2	391.2	0.0
Guard and Reserve Transition Initiatives	52.8	139.5	139.5	139.5	0.0
Subtotal, personnel assistance programs	405.7	530.7	530.7	530.7	0.0
Community Adjustment and Assist Program:					
Programs that assist communities in general:					
Junior ROTC expansion	42.7	59.8	59.8	59.8	0.0
Subtotal, community adjust/assist program	42.7	59.8	59.8	59.8	0.0
Total, conversion related activities	448.4	590.5	590.5	590.5	0.0
Grand total, defense conversion and related activities	2,736.9	3,336.7	3,435.2	3,489.0	152.3

#### DEFENSE CONVERSION ACCOUNT

In order to enhance visibility for oversight and provide the Department with greater management flexibility, the Committee recommends consolidating all funding related directly to Defense Conversion and Reinvestment in one transfer account totalling \$1,401,944,000, and has included language in the fiscal year 1995 Defense Appropriations Bill to that effect. The Committee directs the Department of Defense to work closely with the Economic Development Administration regarding their conversion efforts.

#### LAW ENFORCEMENT TECHNOLOGY

The Committee understands that the Departments of Defense and Justice have signed a memorandum of understanding on the development of advanced technology with application to both military and law enforcement missions. The Committee in accordance with the House Armed Services Committee supports this partnership and urges the Department to provide \$37 million to support a Center for Defense and Law Enforcement Technology.

#### DEFENSE WORKER RETENTION

The Committee is in agreement with the position of the House Armed Services Committee in its belief that more emphasis must be placed on relating technology reinvestment activities to high-wage job growth. Accordingly, the Committee has included legislation in the fiscal year 1995 Defense Appropriations Bill which makes available \$50,000,000 within the Technology Reinvestment Program (TRP) to support defense conversion and diversification loan guarantee authority for small and medium-sized companies.

## OTHER CONVERSION INITIATIVES

The Committee suggests that the Defense Department consider funding the following conversion projects during the course of fiscal year 1995:

1. American Legion/International Labor Union Veteran's Training	\$1,400,000
2. Georgia Tech Center for International Defense Conversion	400,000
3. Berkshire County Regional Employment Board	100,000
4. Monterey Institute of International Studies	5,000,000
5. San Diego State University Conversion Center	10,000,000
6. Vietnam Veteran's Leadership Program	280,000
7. San Gabriel Valley Community Development Corporation	2,500,000
8. Center for Commercial Deployment of Transportation Technologies	5,000,000
9. Hunters Point Civilian Job Training in Environmental Remediation	500,000
10. Southeast Regional College Network Florida	2,500,000
11. Teacher Training for Children with Learning Disabilities	1,000,000
12. Southwest Virginia Advanced Mfg. Technology System	364,000
13. Domestic Fuel Cell Manufacturing	200,000
14. Georgia Tech Plasma Arc Remediation	4,000,000
15. Great Lakes Environmental Manufacturing Technology Center	10,000,000
16. California Goldstrike Program (Regional Technology Alliance)	3,500,000
17. Free Electron Laser User Facility	9,000,000
18. California Information Infrastructure	.....
19. California Environmental Sensor Deployment Project	.....
Total	55,744,000

## SAN DIEGO STATE UNIVERSITY DEFENSE CONVERSION CENTER

The Committee continues to support the establishment of a regional defense conversion center at San Diego State University and appropriates \$10 million in defense conversion funds to establish, equip, operate and maintain an effective program.

## KOREAN READINESS ENHANCEMENT ACCOUNT

Appropriations, 1994	.....
New obligational authority, 1995:	
Estimate	.....
Recommended	\$250,000,000
Increase	250,000,000

As mentioned earlier in the report, the Committee has added \$250,000,000 for a new Korean Readiness Enhancement Account. The funds are to be transferred to the following:

Operation & Maintenance	\$150,000,000
Other Procurement, Army	85,000,000
RDT&E, Defense Wide	15,000,000
Total	250,000,000

The Operation and Maintenance resources are to be used for improving the logistical support system and to provide resources toward funding the fiscal year 1995 expenses of the recent initiative to deploy Patriot missiles and Apache helicopters to Korea. The funds provided for procurement are for the highest priority equipment needs of U.S. forces in Korea such as communication gear. The RDT&E funds are for a Moving Target Indicator (MTI) program which will enhance the I&W (Indications and Warning) capability of our forces in South Korea.

## TITLE VII

## NATIONAL FOREIGN INTELLIGENCE PROGRAM INTRODUCTION

The National Foreign Intelligence Program consists of those intelligence activities of the Government which provide the President, other officers of the Executive Branch, and the Congress with national foreign intelligence on broad strategic concerns bearing on U.S. national security. These concerns are stated by the National Security Council in the form of long-range and short-range requirements for the principal users of intelligence, and include political trends, military balance trends, economic trends, treaty monitoring and support to military theater commanders.

The National Foreign Intelligence Program budget funded in the Department of Defense Appropriations Act consists primarily of resources of the Central Intelligence Agency; the Defense Intelligence Agency; the National Reconnaissance Office; the National Security Agency; the intelligence services of the Departments of the Army, Navy and the Air Force; the Community Management Staff; and the CIA Retirement and Disability System Fund.

## CLASSIFIED REPORT AND ANNEX

Because of the highly sensitive nature of intelligence programs, the results of the Committee's budget review are published in a separate, detailed and comprehensive classified Annex and report. The intelligence community, Department of Defense and other organizations are expected to comply fully with the recommendations and directives in the classified Annex and report accompanying the fiscal year 1995 DOD Appropriations Act.

## ARMS CONTROL RESEARCH PROJECTS

The fiscal year 1994 Defense Appropriations Act contained a provision, section 8123 requiring the Secretary of Defense and the Director of Central Intelligence to submit a report justifying the budget request for arms control research projects. The provision also required the report to be submitted to the Director of the Arms Control and Disarmament Agency for his comments on the applicability of the projects to the nation's arms control goals. To date, only a portion of the required report has been submitted. In addition, the Committee understands the intelligence community has decided not to seek ACDA comments. The Director of Central Intelligence is reminded that solicitation of ACDA comments is not optional, but is required by law. The Committee again directs the Administration to submit the report and comments specified in section 8092 in this bill, and notes that failure to do so will be considered justification for deleting all requested funds for the relevant research items.

## CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

Appropriations, 1994	\$182,300,000
New obligatory authority, 1995:	
Estimate	198,000,000
Recommended	198,000,000
Change	0

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (P.L. 88-643) authorized the establishment of a CIA Retirement and Disability System (CIARDS) for a limited number of CIA employees, and authorized the establishment and maintenance of a Fund from which benefits would be paid to qualified beneficiaries.

## COMMUNITY MANAGEMENT ACCOUNT

Fiscal year 1994 appropriation	\$151,288,000
Fiscal year 1995 budget request	93,084,000
Committee recommendation	83,084,000
Change	10,000,000

The Director of Central Intelligence (DCI) requested \$93,084,000 for the Community Management Account (CMA). The Committee recommends \$83,084,000, a decrease of \$10,000,000.

The DCI requested \$20,500,000 for the Environmental Task Force (ETF). The Committee recommends \$8,500,000, a reduction of \$12,000,000. Since fiscal year 1994, the ETF budget request has grown from \$2,500,000 to over \$20,000,000. Although the Committee believes that the studies conducted by the ETF have merit, the cost of the program is unwarranted. The Committee is unhappy with the costs associated to retain scientists that act as liaisons between the environmental science community and the intelligence community. Furthermore, the costs incurred with the declassification of imagery and experiments on existing systems are not well documented. The Committee requests that the DCI submit, no later than August 1, 1994, a detailed breakout of the budgeted line items and a report providing obligation rates for the ETF program.

The Community Management Staff (CMS) requested no funds for the State Department Interoperability Initiative. The Committee understands that the State Department Bureau of Intelligence and Research's (INR) automated information systems do not benefit from and participate in interoperability and integration initiatives sponsored by the Intelligence Community and DOD. The CMS, DOD, and the State Department have told the Committee that INR interoperability is a priority for the intelligence community. As a general rule, the Committee does not endorse the practice of DOD funding for items procured for non-DOD agencies and departments. However, by ensuring interoperability between DOD, INR, and the Intelligence Community, critical information will be readily available to strategic and tactical decision makers. Therefore, the Committee recommends an increase of \$2,000,000 only for the procurement of hardware and software to provide INR interoperability with existing intelligence community and DOD information systems. The Committee directs that hardware and software procurement may only be for INR and must be completed in fiscal year 1995. The Committee directs that all operations and maintenance costs be budgeted by the State Department. The Committee recommends the additional funds only if the State Department provides no less than \$1,500,000 in fiscal year 1995 for this initiative.

#### NATIONAL SECURITY EDUCATION TRUST FUND

Fiscal year 1994 appropriation	\$10,000,000
Fiscal year 1995 budget request	14,300,000
Committee recommendation	-0-
Change	(14,300,000)

The Department requested \$14,300,000 for the National Security Education Trust Fund (NSETF). The Committee recommends that no funds are appropriated for fiscal year 1995.

In fiscal year 1991, Congress appropriated \$150,000,000 for the NSETF. The NSETF, which was established three years ago and has been given the authority to obligate \$10,000,000 in fiscal year 1994, has not awarded any scholarships or grants. The Committee has requested data on grant criteria, scholarship and grant award plans, and costs incurred to date but has not received a reply. Because of the availability of previously appropriated funds and the inability to award scholarships or grants, the Committee recommends that no funds be appropriated in fiscal year 1995. Furthermore, the Committee requests that the information requested is provided no later than August 1, 1994.

#### TITLE VIII GENERAL PROVISIONS

The accompanying bill includes 120 general provisions. Most of these provisions were included in the Department of Defense Appropriations Act for fiscal year 1994 and many have been included in the Defense Appropriations Act for a number of years.

Actions taken by the Committee to amend last year's provisions or new provisions recommended by the Committee are discussed below or in the applicable section of the report.

#### FIELD OPERATING AGENCIES

The Committee recommends a new general provision that prohibits the Department of Defense to establish field operating agencies or field offices during fiscal year 1995 and funding to support only fifty percent of field operating agencies or field offices which were in existence on September 30, 1994.

## ACTIVE MATRIX LIQUID CRYSTAL DISPLAYS

The Committee recommends a new general provision which prohibits funds to procure active matrix liquid crystal displays unless they are produced or manufactured in the United States by a domestic-owned and domestic-operated entity.

## DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508), the following information provides the definition of the term "program, project, and activity" for appropriations contained in the Department of Defense Appropriations Act. The term "program, project, and activity" shall include the most specific level of budget items, identified in the Department of Defense Appropriations Act, 1995, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee on Conference, the related classified annexes, and the P-1 and R-1 budget justification documents as subsequently modified by Congressional action.

In carrying out any Presidential sequestration, the Department of Defense and agencies shall conform to the definition for "program, project, and activity" set forth above with the following exception:

For the Military Personnel and the Operations and Maintenance accounts the term "program project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act.

The Department and agencies should carry forth the Presidential sequestration order in a manner that would not adversely affect or alter Congressional policies and priorities established for the Department of Defense and the related agencies and no program, project, and activity should be eliminated or be reduced to a level of funding which would adversely affect the Department's ability to effectively continue any program, project and activity.

## HOUSE OF REPRESENTATIVES REPORTING REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

## CHANGES IN APPLICATION OF EXISTING LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions which directly or indirectly change the application of existing law.

Language is included in various parts of the bill to continue on-going activities which require annual authorization or additional legislation, which to date has not been enacted.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law.

The bill includes a number of provisions, which have been virtually unchanged for many years, that are technically considered legislation.

The bill provides that appropriations shall remain available for more than one year for some programs for which the basic authorizing legislation does not presently authorize such extended availability.

In various places in the bill, the Committee has earmarked funds within appropriation accounts in order to fund specific programs and has adjusted some existing earmarkings.

The bill includes a number of provisions which make portions of the appropriations subject to enactment of authorizing legislation.

Those additional changes in the fiscal year 1995 bill, which might be interpreted as changing existing law, are as follows:

## APPROPRIATION LANGUAGE

Language has been included in "Operation and maintenance, Army" that earmarks \$150,000,000 for real property maintenance and which shall remain available for obligation until September 30, 1996.

Language has been included in "Operation and maintenance, Army" that earmarks \$388,599,000 for conventional ammunition care and maintenance.

Language has been included in "Operation and maintenance, Army" that earmarks \$5,800,000 for removal of DoD equipment from Pine Bluff Arsenal.

Language has been included in "Operation and maintenance, Navy" that earmarks \$200,000,000 for real property maintenance and which shall remain available for obligation until September 30, 1996.

Language has been included in "Operation and maintenance, Marine Corps" that earmarks \$66,000,000 for real property maintenance and which shall remain available for obligation until September 30, 1996.

Language has been included in "Operation and maintenance, Air Force" that earmarks \$84,000,000 for real property maintenance and which shall remain available for obligation until September 30, 1996.

Language has been included in "Operation and maintenance, Army National Guard" that earmarks \$10,000,000 for the National Guard Outreach Program in the Los Angeles School District.

A new appropriation paragraph "Support for International Sporting Competitions, Defense" has been added to provide logistical support and personnel services for security needs of these competitions.

Language has been included in "Humanitarian Assistance" that earmarks \$12,000,000 to support clearing of landmines for humanitarian purposes.

Language has been included in "Procurement of Ammunition, Army" that earmarks \$43,000,000 for the ARMS program to fund subsidy costs of loan guarantees.

A new appropriation paragraph "Procurement of Ammunition, Navy and Marine Corps" has been added that separately appropriates funds for ammunition for the Navy and Marine Corps.

Language has been included in "Shipbuilding and Conversion, Navy" that transfers \$1.2 billion from the National Defense Sealift Fund for the Carrier replacement program.

Language has been included in "Aircraft Procurement, Air Force" that earmarks \$103,700,000 to initiate procurement of non-developmental airlift aircraft.

Language has been included in "Aircraft Procurement, Air Force" that directs the Air Force to qualify a second source producer for the C-17 and to competitively contract for the procurement of the C-17 engine.

A new appropriation paragraph "Procurement of Ammunition, Air Force" has been added that separately appropriates funds for ammunition for the Air Force.

Language has been included in "Research, Development, Test and Evaluation, Navy" that prohibits funds for development of the LPD-17 ship unless the baseline design of the ship includes cooperative engagement capability and sufficient self-defense capability against cruise missiles.

Language has been included in "Research, Development, Test and Evaluation, Defense-Wide" that earmarks \$120,000,000 for the Sea-Based Wide Area Defense program.

Language has been included in "Research, Development, Test and Evaluation, Defense-Wide" that prohibits any funds to be awarded for Tier II Plus vehicles until \$50,000,000 is obligated for the Tier III Minus vehicle.

Language has been included in "National Defense Sealift Fund" that transfers \$25,000,000 to the Secretary of Transportation for Title XI loan guarantees.

A new, appropriation paragraph "Defense Conversion and Reinvestment" has been added that provides funds for transition benefits and assistance to communities affected by the drawdown.

Language has been included in "Defense Conversion and Reinvestment" that earmarks \$50,000,000 to cover the costs of loan guarantees.

A new appropriation paragraph "Korean Enhanced Readiness Account" has been added that provides \$250,000,000 to enhance the readiness of U.S. forces assigned to Korea.

Language has been included in "Community Management Account" that earmarks \$2,000,000 for the purchase of information system upgrades at the Department of State Bureau of Intelligence and Research.

#### GENERAL PROVISIONS

Section 8016 has been amended that allows the Secretaries of the Army and Air Force to retain in an active status until age 60 any person who is employed as a Guard or Reserve technician.

Section 8017 has been amended that makes permanent proceeds from the Fisher House Investment Trust Fund will be used to support the operation and maintenance of the Army's Fisher Houses.

Section 8021 has been amended that all new DOD procurements shall separately identify software costs in those instances where software is considered to be a major category of cost.

Section 8030 has been added that operational control of the Naval Reserve Personnel Center shall be under the command and control of the Commander, Naval Reserve Command; and to limit the cost of DoD Data Center Consolidation to the initial estimate of \$309,000,000.

Section 8032 has been amended to include the Naval Reserve Force Information Systems Office in Navy automation facilities.

Section 8047 has been amended to change the name of the Weather Reconnaissance Squadron.

Section 8050 has been amended to direct that T-AGS ships must utilize remanufactured SASS multibeam sonars.

Section 8051 has been amended that repeals fiscal year 1994 language concerning the LANDSAT 7 program.

Section 8052 has been amended that makes permanent eligibility requirements for CHAMPUS disabled care.

Section 8053 has been amended that authorizes the DoD to incur obligations in anticipation of receiving contributions from the Government of Kuwait only, and to credit those accounts which incurred obligations upon receipt of those contributions.

Section 8054 has been amended which restricts obligation of funds available to Federally Funded Research and Development Centers until receipt of a report establishing pay caps for FFRDC employees.

Section 8062 has been amended to make permanent the authority that allows DoD to make voluntary separation incentives payable from the Voluntary Separation Incentive Fund.

Section 8076 has been amended to change the investment item unit cost to \$50,000.

Section 8077 has been amended to make permanent the authority that allows DoD to provide early retirement payments for active duty members.



Section 8081 has been amended to change the percentage of personnel which are assigned to the National Foreign Intelligence programs.

Section 8089 has been added to allow use of "Procurement, Defense-Wide" procurement funds to pay shipbuilding claims.

Section 8090 has been amended that directs funds available for the High Performance Computing Modernization Plan shall be made available only for the upgrade, purchase, or modernization of supercomputing capability at all DoD computing sites.

Section 8092 has been amended that directs a report on research and development projects involving current and projected international arms control agreements.

Section 8093 has been amended that prohibits funds for the purchase of a totally enclosed lifeboat survival system unless 75 percent of the system's components are manufactured in the United States.

Section 8097 has been added to deny funds for development of bi-static active capability in SURTASS unless the AN/UYS-2 processor is utilized.

Section 8099 has been amended to specify use of the USH-42 recorder on S-3 aircraft.

Section 8101 has been amended that allows funds under "Operation and maintenance, Defense-Wide" for increasing energy and water efficiency in Federal buildings to be transferred to other DoD appropriations.

Section 8104 has been added that allows prior year funds for sporting competitions to be transferred to the "Support for International Sporting Competitions, Defense" appropriation and to be available until expended.

Section 8105 has been added to allow for acquisition of Ready Reserve Force ships using the National Defense Sealift Fund.

Section 8106 has been added that prohibits funds for Titan IV expandable launch vehicles unless the Secretary certifies to the Congress a plan for the development of a family of launch vehicles.

Section 8107 has been added that provides funds for certain Naval Reserve information system efforts.

Section 8108 has been added that prohibits the DoD to establish field operating agencies or field offices during FY 1995 and funding to support only 50 percent of field operating agencies or field offices which are in existence on September 30, 1994.

Section 8109 has been added to restrict DDG-51 and LHD-1 obligations pending obligation of sealift ship options.

Section 8110 has been added to restrict procurement of ceramic products to those produced in the United States.

Section 8111 has been added to direct the Navy to continue EA-6B improvements.

Section 8112 has been added that appropriates \$5,000,000 to DoD and then transfers those funds to the Secretary of Interior for the Rongelap Resettlement Trust Fund.

Section 8113 has been added which prohibits use of funds for the sustaining base information system until the Assistant Secretary of Defense for C3I has made a report to Congress.

Section 8114 has been added which prohibits use of funds for automated document conversion system which are not part of a DoD master plan, and also provides \$30,000,000 for the automated document conversion system.

Section 8115 has been added to restrict procurement of propellers and ship shafts to those produced in the United States.

Section 8116 has been added to transfer "Other procurement, Navy" funds to "Research, Development, Test and Evaluation, Navy" for the SPS-48E radar program.

Section 8117 has been added to specify contract award dates for CHAMPUS Reform Initiative and the Managed Care Support Initiative.

Section 8118 has been added to deny funds for recruitment or enrollment of new students at the Uniformed Services University of the Health Sciences.

Section 8119 has been added that prohibits use of funds to procure active matrix liquid crystal displays unless they are produced or manufactured in the United States by a domestic-owned and domestic-operated entity.

Section 8120 has been added that prohibits procurement of 120mm mortars or 120mm mortar ammunition unless manufactured in the United States.

### COMPLIANCE WITH RULE XIII-CLAUSE 3

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

In the general provisions (section 8051), section 8060 of Department of Defense Appropriations Act, 1994 (Public Law 103-139), is repealed.

[Sec. 8060. During the current fiscal year and thereafter, notwithstanding any other provision of law, the Department of Defense is hereby authorized to develop and procure the LANDSAT 7 vehicle.]

### TRANSFER OF FUNDS

Pursuant to clause 1(b), rule X of the House of Representatives the following is submitted describing the transfer of funds provided in the accompanying bill.

The following table shows the appropriations affected by the transfers:

Appropriations to which transfer is made	Amount	Appropriations from which transfer is made	Amount
Operation and maintenance, Army	\$50,000,00 0	National Defense Stockpile Transaction Fund	\$150,000,0 00
Operation and maintenance, Navy	50,000,000		
Operation and maintenance, Air Force	50,000,000		
Shipbuilding and Conversion, Navy	1,200,000, 000	National Defense Sealift Fund	1,200,000, 000

Language has been included in "Environmental Restoration, Defense" which provides for the transfer out of and into this account.

Language has been included in "National Defense Sealift Fund" which transfers \$25,000,000 to the Secretary of Transportation for title XI loan guarantees.

Language has been included in "Drug Interdiction and Counter-Drug Activities, Defense" which transfers funds to other appropriations accounts of the Department of Defense.

Language has been included in "Defense Conversion and Reinvestment" which transfers funds to other appropriations accounts of the Department of Defense.

Language has been included in "Korean Enhanced Readiness Account" which transfers funds to other appropriations accounts of the Department of Defense.

Six other provisions (Section 8005, 8006, 8027, 8063, 8101 and 8116) contains language which allows transfers of funds between accounts.

Section 8104 contains language which transfers prior years funds of sporting competitions to the "Support for International Sporting Competitions, Defense" account to be available until expended.

Section 8112 contains language which transfers \$5,000,000 to the Department of the Interior for deposit into the Rongelap Resettlement Trust Fund.

### INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4), Rule XI of the House of Representatives, the following statement is made:

The bill reported will provide \$243,603,092,000 in new budget obligational authority. This is a decrease of \$846,887,000 below the budget request for fiscal year 1995 and \$3,523,447,000 above the fiscal year 1994 funding level.

The appropriation as proposed by the Committee should not cause inflation to increase greatly. This level of Defense spending will have little inflationary effect in comparison to the forecasted size of the gross national product for 1995.

#### COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 602(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[Dollars in millions]							
Discretionary		Sec. 602(b) Mandatory	Total	This bill-	Discretionary	Mandatory	Total
Outlays	Budget authority	\$243,432	\$198	\$243,630	\$243,405	\$198	\$243,603
		250,515	198	250,713	250,442	198	250,640

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

#### FIVE-YEAR PROJECTION OF OUTLAYS

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill.

[In millions of dollars]	
Budget authority	\$243,603
Outlays:	
Fiscal year 1995	164,160
Fiscal year 1996	45,601
Fiscal year 1997	17,441
Fiscal year 1998	7,420
Fiscal year 1999 and future years	8,134

#### FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, no new budget or outlays are provided by the accompanying bill for financial assistance to state and local governments.

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